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Government  
Publications

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

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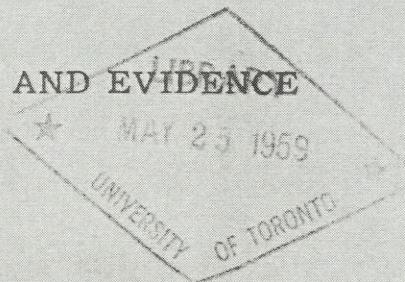
SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1



WEDNESDAY, MAY 6, 1959

TUESDAY, MAY 12, 1959

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CANADIAN BROADCASTING CORPORATION

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WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;  
and Charles Jennings, Controller of Broadcasting.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

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Publications

HOUSE OF COMMONS  
Second Session—Twenty-fourth Parliament

1959

SPECIAL COMMITTEE ON

# BROADCASTING

Chairman: G. E. HALPENNY, Esq.

## MINUTES OF PROCEEDINGS AND EVIDENCE

★ MAY 25 1959  
No. 1  
UNIVERSITY OF TORONTO

WEDNESDAY, MAY 6, 1959

TUESDAY, MAY 12, 1959

CANADIAN BROADCASTING CORPORATION

WITNESSES:

\* L. Bushell, Acting President, Canadian Broadcasting Corporation;  
and Charles Jennings, Controller of Broadcasting.

SPECIAL COMMITTEE ON BROADCASTING

*Chairman: G. E. Halpenny, Esq.*

*Vice-Chairman: J. Flynn, Esq.*

and Messrs.

Miss Aitken,  
R. A. Bell (*Carleton*),  
Tom Bell (*Saint John-  
Albert*),  
Brassard (*Lapointe*),  
Campeau,  
Chambers,  
Chown,  
Dorion,  
Fairfield,  
Fisher,  
Forgie,

Fortin,  
Horner (*Jasper-Edson*),  
Jung,  
Kucherepa,  
Lambert,  
Macquarrie,  
Mitchell,  
Morris,  
McCleave,  
McGrath,  
McIntosh,

McQuillan,  
Nowlan,  
Pickersgill,  
Pratt,  
Richard (*Ottawa East*),  
Robichaud,  
Rouleau,  
Simpson,  
Smith (*Calgary South*),  
Smith (*Simcoe North*),  
Tremblay—33.

*J. E. O'Connor,  
Clerk of the Committee.*

CAI  
XC2  
- 1959  
B65

## ORDERS OF REFERENCE

WEDNESDAY, April 29, 1959.

*Ordered*,—That a Select Committee be appointed on Broadcasting to consider radio and television broadcasting together with the Annual Report of the Canadian Broadcasting Corporation, and to review the operations, policies and aims of the Corporation and its revenues, expenditures and development, with power to examine and inquire into the matters herein referred to, and to report from time to time their observations and opinions thereon, and to send for persons, papers and records;

That the Committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary;

That the Committee have power to meet while the House is sitting;

That the Committee shall consist of 35 members;

That Standing Orders 66 and 67 be suspended in relation thereto.

MONDAY, May 4, 1959

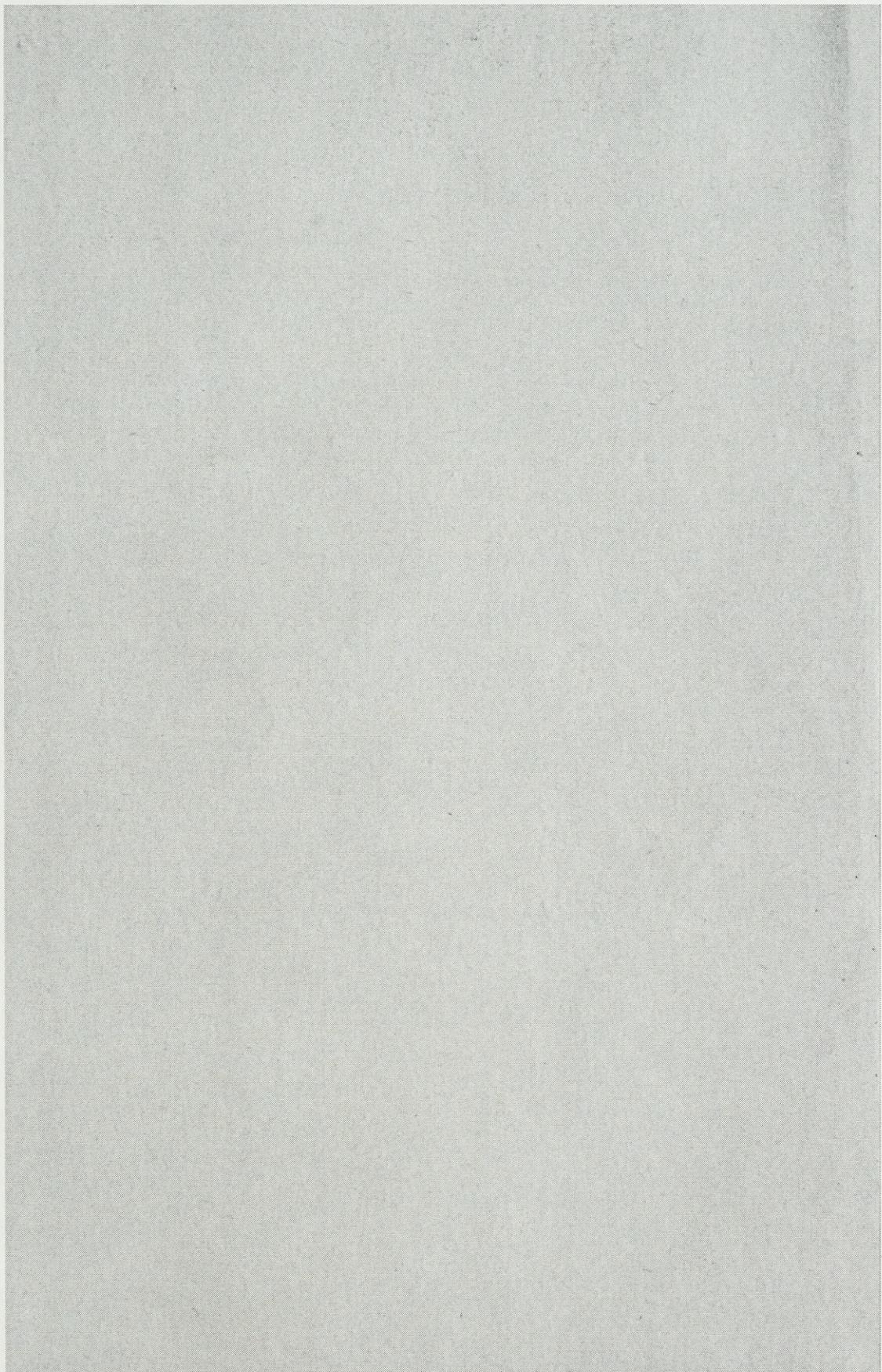
*Ordered*,—That the Special Committee on Broadcasting, appointed on April 29, 1959, be composed of Miss Aitken, Messrs. Bell (Carleton), Bell (Saint John-Albert), Brassard (Lapointe), Campeau, Chambers, Chown, Dorion, Fairfield, Fisher, Flynn, Forgie, Fortin, Halpenny, Jung, Kucherepa, Lambert, Macquarrie, Mitchell, Morris, McCleave, McGrath, McIntosh, McQuillan, Nowlan, Pickersgill, Pratt, Richard (Ottawa East), Robichaud, Rouleau, Simpson, Smith (Calgary South), Smith (Simcoe North), Taylor and Tremblay.

FRIDAY, May 8, 1959

*Ordered*,—That the name of Mr. Horner (*Jasper-Edson*) be substituted for that of Mr. Taylor on the Special Committee on Broadcasting.

ATTEST

LÉON J. RAYMOND,  
Clerk of the House.



## MINUTES OF PROCEEDINGS

WEDNESDAY, May 6, 1959.

The Special Committee on Broadcasting met at 10 a.m. this day for organization purposes.

Members present: Miss Aitken, Messrs. Bell (*Carleton*), Bell (*Saint John-Albert*), Brassard (*Lapointe*), Campeau, Chambers, Chown, Fairfield, Flynn, Forgie, Fortin, Halpenny, Jung, Lambert, Macquarrie, McCleave, McGrath, McIntosh, McQuillan, Nowlan, Pickersgill, Pratt, Richard (*Ottawa East*), Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Taylor, and Tremblay. (28)

On the motion of Mr. Smith (*Calgary South*), seconded by Mr. Bell (*Saint John-Albert*), Mr. Halpenny was elected Chairman.

Mr. Halpenny took the Chair and thanked the members of the Committee for the honour extended to him.

On the motion of Mr. Fairfield, seconded by Mr. Bell (*Carleton*), Mr. Flynn was elected Vice-Chairman.

The Chairman read the Order of Reference and called for certain routine business motions.

On the motion of Mr. Smith (*Simcoe North*), seconded by Mr. McCleave, *Resolved*,—That, pursuant to its Order of Reference of April 29, 1959, this Committee print 1000 copies in English and 400 copies in French of its Minutes of Proceedings and Evidence.

On the motion of Mr. Lambert, seconded by Mr. McGrath,

*Resolved*,—That the quorum of this Committee be set at 10 members.

On the motion of Mr. Smith (*Simcoe North*), seconded by Mr. Macquarrie, *Resolved*,—That a Sub-committee on Agenda and Procedure, comprising the Chairman and 6 members to be named by him, be appointed.

*Agreed*,—That insofar as is possible, meetings will be scheduled so as not to conflict with the meetings of the Standing Committee on Estimates.

Following discussions, it was decided that the first meeting of the Committee will be held on Tuesday, May 12, at 11 a.m. and will commence with a statement by Mr. Ernest Bushnell, Acting President of Canadian Broadcasting Corporation.

At 10.15 a.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,  
Clerk of the Committee.

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TUESDAY, May 12, 1959.

The Special Committee on Broadcasting met at 11.00 a.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Miss Aitken, Messrs. Bell (*Carleton*), Bell (*Saint-John-Albert*), Brassard (*Lapointe*), Campeau, Chambers, Chown, Fairfield, Fisher, Flynn, Forgie, Fortin, Halpenny, Horner (*Jasper-Edson*), Jung, Kucherepa, Macquarrie, Mitchell, McCleave, McGrath, Nowlan, Pickersgill, Pratt, Richard (*Ottawa-East*), Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), and Tremblay. (28)

## SPECIAL COMMITTEE

*In attendance:* Messrs. Ernest L. Bushnell, Acting President of Canadian Broadcasting Corporation, assisted by Colonel R. P. Landry, Controller of Administration; Messrs. Charles Jennings, Controller of Broadcasting; Marcel Ouimet, Deputy Controller of Broadcasting; G. R. Young, Assistant Controller of Broadcasting (Station Relations); W. R. Johnston, Assistant Controller of Broadcasting (Commercial); J. P. Gilmore, Controller of Operations; Marcel Carter, Controller of Management Planning & Development; R. E. Keddy, Director of Organization; A. M. Henderson, Comptroller; R. C. Fraser, Director of Public Relations; A. G. Cowan, Director of Northern & Armed Forces Service; Hugh Laidlaw, General Counsel; Barry MacDonald, Secretary—Board of Directors; J. A. Halbert, Assistant Secretary—Board of Directors; and R. L. Dunsmore, Chairman, Finance Committee—Board of Directors.

The Chairman observed the presence of quorum and announced the composition of the Sub-committee on Agenda and Procedure, as follows: Messrs. Pickersgill, Chambers, Mitchell, Fisher, Campeau, and R. A. Bell.

Following discussion of suggestions relating to the scheduling of the Committee's work, Mr. Bushnell was introduced and, in turn, introduced officers of the Corporation.

Mr. Bushnell reviewed the organization and development of the Canadian Broadcasting Corporation; its programming, history and aims.

*Agreed.*—That Organization charts distributed to the members of the Committee on May 11 be incorporated in the record of today's proceedings.

Mr. Charles Jennings, Controller of Broadcasting, was called and reviewed and commented upon a document entitled "The National Program Service", copies of which were distributed to Members on May 11th.

Mr. Jennings was questioned briefly on his statement.

Upon invitation of the Chairman, members suggested topics that might be usefully explored at future meetings.

At 12.30 p.m., the Committee adjourned to meet again at 9.00 a.m. on Thursday, May 14th.

J. E. O'Connor.  
Clerk of the Committee.

## EVIDENCE

Tuesday, May 12, 1959.  
11.00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. First of all I wish to announce the composition of the subcommittee on agenda: Messrs. Pickersgill, Chambers, Fisher, Mitchell, Bell (Carleton) and Campeau.

Mr. PICKERSGILL: I would like to raise a question. I spent the week-end very profitably occupied on reading over all the debates of the broadcasting legislation of last session. I want to express the hope, which I am sure will be shared by the Minister of National Revenue, that this committee address itself precisely to those things to which the Minister of National Revenue suggested we should address ourselves; that is, to an examination of the new legislation and how the new legislation has worked. That should have priority. All the presentations made to us should be directed to that end.

I hope we can have an understanding in this committee that that is what we will do and not just travel all around the lot which might very easily happen if there is not some direction.

The CHAIRMAN: Thank you.

Mr. SMITH (*Calgary South*): I think the principle enunciated by Mr. Pickersgill probably is a good one. Certainly, however, I hope it is not the suggestion to place any limitation, because all we are governed by are the terms of reference of this committee.

From a personal standpoint I agree the principle is satisfactory, providing it is not suggested that any limitation be placed in respect of going back into some of the past history as it might relate to future legislation or future activities.

The CHAIRMAN: Are there any other comments? I shall introduce to you Mr. Ernest Bushnell, the Acting Chairman of the Canadian Broadcasting Corporation. First of all, I would ask Mr. Bushnell to introduce his confreres, and then Mr. Bushnell will give an introductory statement. The suggestion from the chair is that we allow Mr. Bushnell to complete his statement before any questions are asked or interruptions made. Is that agreeable?

Agreed.

Mr. Bushnell, will you introduce your confreres?

Mr. ERNEST BUSHNELL (*Acting President, Board of Directors, Canadian Broadcasting Corporation*): Thank you, Mr. Chairman. I would ask these gentlemen here to stand up as their names are called.

First, I would like to introduce R. L. Dunsmore, sitting at my right. Mr. Dunsmore is the chairman of the finance committee of the board of directors. Next is Colonel R. P. Landry, controller of administration who is sitting at the back; Mr. Charles Jennings, controller of broadcasting, and beside him Mr. Marcel Ouimet, deputy controller of broadcasting; Mr. George Young, assistant controller of broadcasting (station relations) and Mr. W. R. Johnston, assistant controller of broadcasting (commercial). Then I would like to introduce Mr. J. P. Gilmore, controller of operations and Mr. Marcel Carter, controller of management planning and development; Mr. R. E. Keddy, director of organization; next Mr. A. M. Henderson, comptroller. I had hoped we would

have with us Mr. W. G. Richardson, director of engineering, but unfortunately I am advised he has been afflicted with the 'flu bug' which probably was passed along from me. Then we have Mr. R. C. Fraser, director of public relations and Mr. A. G. Cowan, director of northern and armed forces service; Mr. Hugh Laidlaw, general counsel; Mr. Barry MacDonald, secretary of the board of directors and Mr. J. A. Halbert, assistant secretary of the board of directors.

That, sir, is a list of my colleagues, most of whom, indeed all of whom, are located at the head office in Ottawa.

At the back of the room I see a gentleman whom I would like to introduce. He is here for another reason. Mr. W. F. Galgay is here from Newfoundland and this may be the only opportunity he will have of visiting these sessions.

That completes my introduction.

The CHAIRMAN: Thank you, very much.

Mr. BUSHNELL: Mr. Chairman, Mr. Minister and members of the 1959 parliamentary committee on broadcasting:

I am sure you will understand if I open my remarks with a few brief acknowledgments.

First, I should like to acknowledge our great debt of gratitude to Mr. Davidson Dunton for his services to Canadian broadcasting. For twelve years—momentous years in the development of broadcasting in this country, which saw the advent of television—he gave wise and imaginative guidance as chairman of the board of governors. In his new and challenging role as president of Carleton University he carries with him our thanks and our good wishes.

Some hon. MEMBERS: Hear, hear.

Mr. BUSHNELL: Then I should like to express, on behalf of our president, Mr. J. Alphonse Ouimet, his regret that he will not be taking part in these deliberations. I am happy to tell you that he has made remarkable progress and is now enjoying almost fully restored health and vigor, certainly more vigor than health which is characteristic of the man; he is gradually resuming his administrative duties, which are in themselves a very heavy load, but it is felt—and very wisely, I think—that he should not assume additional responsibilities for another eight to ten weeks. And I might at this time pay tribute to the fine way in which my colleagues in the CBC have helped me during the months of Mr. Ouimet's enforced absence. Fortunately, I have also had a great deal of help and guidance from the board of directors and the members of the executive committee of the board in recent months, during which, as you are aware, we have had to face some particularly difficult problems.

Mr. Chairman, at this point I thought I should congratulate you, inasmuch as you are the chairman of the largest radio committee that has ever sat. I think thirty-five members is something of a record. This is, I believe, the fifteenth parliamentary committee. My recollection tells me as well that we have had at least three royal commissions. I might add that it has been my misfortune, if you like, to have participated in one way or another in all of those fifteen parliament committees and the three royal commissions, and I would hope to survive another.

The CHAIRMAN: We also hope so.

Mr. BUSHNELL: It is now four years since the corporation had an opportunity to report directly to parliament through a committee such as this. The last committee on broadcasting was held in 1955. Since that time the CBC has submitted its annual reports to parliament through the minister designated for that purpose as required by statute. I understand that you have the most recent report—that for the year 1957-58—before you as a basis for your study and analysis.

While the corporation has not been before a committee in the last four years, its policies and operations have been the subject of full and detailed scrutiny during the intervening period. Beginning concurrently with the last committee, for a period of more than a year, the closest possible study of all phases of broadcasting in Canada was undertaken by a royal commission headed by Mr. R. M. Fowler.

At the same time, a study made for the CBC of its financing was supplemented by a special study made for the Fowler commission. Both studies were made by a firm of financial consultants. This was followed in March, 1957, by the report of that commission which, among other things, recommended the continuance of the single national system of broadcasting composed of both public and private stations.

At its last session, parliament dealt with broadcasting and enacted in September the Broadcasting Act, which is the legislation governing the activities of the Canadian Broadcasting Corporation. This act was proclaimed on November 10, 1958.

Mr. Chairman, I thought it might be helpful, before dealing with current activities of the corporation, to give you a broad outline of how the corporation has developed. I hope in so doing I am not unnecessarily trespassing upon your time. I believe that such a review will serve as a background to your questions and to the answers which my colleagues and I will do our best to give.

Canada's present broadcasting system, like other communications media, has been shaped by the needs of Canada. The story of our communications is one of a continuing concern with economic and geographic pressures and against the over-development of natural north-south lines of contact which exert a strong and continuous influence upon Canadian life. Since 1929 broadcasting in Canada has been studied by three royal commissions and fourteen parliamentary committees and parliament has enacted three major pieces of legislation to control it and shape it to Canadian conditions and requirements.

The Broadcasting Act of 1958 establishes the Canadian Broadcasting Corporation for the purpose of operating a national broadcasting service in Canada. The CBC is directly responsible to parliament. The Corporation's independence of the executive government in its staff appointments and its program operations has been recognized by all parliamentary committees and all royal commissions as one of the most important characteristics of our Canadian broadcasting system.

The purpose of the CBC is to provide a national radio and television broadcasting service for the whole nation, reaching Canadians in every part of the country, so far as that is economically practicable; to provide program service in the two main languages in Canada; to develop the best possible national service of Canadian programs, together with programs brought in from outside the country.

The national broadcasting service must aim to serve Canadians in all walks of life, old and young; to bring programs of pleasure and of value to them; to meet in fair proportion their varying interests and tastes; to use the tremendous power of radio and television to provide many things that people want—varied entertainment, information, ideas, opinions, reflections of many developments, of many aspects of life; to offer much that is diverting and relaxing, but also to offer things of beauty and of significance. In reviewing the many reports of parliamentary committees on broadcasting, I found, among others, in the report of 1943 this cogent sentence. "A wide diversity of tastes and interests are encountered and to meet the listening public on a variety of levels and endeavour to strike a happy balance will remain a challenge to the ingenuity of those people directing the affairs of the Canadian Broadcasting Corporation." If that challenge existed in 1943, I can assure you it is a greater challenge today.

As it strives to serve Canadians with all their diversity of interests, the national service should enrich the lives of individuals. At the same time, it should stimulate the life of the nation in many ways: by offering opportunities for Canadians to appreciate and share in their artistic and creative abilities; by giving them a chance to laugh—and sometimes I hope to laugh at themselves, which is a very good thing occasionally—and enjoy the same amusing and pleasant things together from coast to coast; by giving them an opportunity for new insights and understanding; by helping them to know and understand one another, and to know other parts of their country; by stimulating and strengthening the interests of Canadians not only in other Canadians, but in the achievements, ideas and creative work of other peoples as well.

To carry out this responsibility, the corporation has had all the powers necessary to establish and operate a broadcasting organization, and now with its former regulatory functions transferred to the Board of Broadcast Governors, it can, does and proposes to concentrate solely on its operating role.

Among the broadcasting systems adopted by different countries throughout the world, the Canadian system is unique in its use of privately-owned and publicly-owned radio and television stations as essential parts of an integrated national operation. This is where the Canadian system differs, say, from the Australian system. In Australia, while there are both public and private stations, they have little to do with one another—that is hardly true because since the advent of television in Australia they are working much more closely together than in the past—since each has its own transmitters in most parts of the country. In Canada, on the other hand, the CBC depends on private stations for much of its coverage, and private stations on the CBC for much of their programming—a practical and money-saving arrangement.

In fulfilling its purpose, the corporation plans and produces a great number and variety of programs. It also imports programs from outside the country. It distributes this program service from Newfoundland to British Columbia through the operations of networks—national as well as regional, the latter to take care of regional needs. In its relations with sponsors and advertising agencies, the corporation is engaged in the production and the importation of commercial programs and their distribution.

On the technical side, the CBC is involved in complex operations related to the establishment and operation of studios, transmitters and the hiring of network facilities. In other respects, for example in its relationships with employees, the corporation resembles in many ways other industrial and public organizations of comparable size. Its administrative problems include maintaining a healthy relationship with a staff of 7,000 as well as the engagement of nearly 18,000 persons who appear before the camera and microphone annually. About 5,200 employees are organized and belong to duly constituted labor unions. Sometimes there are rather complicated negotiations with the six different staff unions and the performers' unions, but by and large we get along pretty well together.

One of the characteristics of CBC broadcasting is that it does not charge the consumer directly for its service and relies on advertising and some form of public support for its revenues. Because of Canada's small population, its two languages and its vast distances, the cost of a nation-wide radio and television service, basically Canadian in content and character, is I suspect, greater than any commercial company could support profitably. Thus, if it is to discharge the responsibility placed upon it by parliament, the CBC has to rely partly on public funds to meet its financial requirements. The whole question of finance and expenditure control, and its obvious relation to the quantity and quality of program output—and it is also a matter of distribution—is under constant study by management and the board of directors.

In addition to national service in sound and television broadcasting, the corporation acts as an agent of the government in managing the international service which broadcasts by shortwave in 16 languages and supplies Canadian transcriptions to various parts of the world. The funds for this service are provided by special votes of parliament. Policies for the international service are determined in consultation with the Department of External Affairs.

Started during the present year as the result of a special appropriation, but to be continued under the general provision of funds by parliament, is a northern service of the CBC. This is a development of the former arrangement whereby CBC made tape recordings of some of the national program service available to stations in northern Canada. In a similar way CBC has since 1951 provided tape recorded programs and shortwave news broadcasts for radio stations serving the Canadian armed forces abroad, the costs of this being recovered from the Department of National Defence.

Where the corporation differs from many other organizations in Canada is in the nature and scope of its product and in the extent and method of its distribution. The product of the corporation is programs—radio and television programs—and each program is an individual creation. It must be individually planned and custom-built. There is no mass production—nor can there be.

During the current year the corporation expects to broadcast some 50,000 of its own network productions in radio, totalling over 13,000 hours. In television, annual production of programs is around 10,000 totalling about 5,000 hours. These programs originate from various parts of Canada—some in English and some in French, some for radio and some for television—and cover the broad range of human experience and interests. Imports are not included here.

Some—like news, sports, national events, drama, variety and popular music—serve a very wide audience. Others are designed to interest a more specialized audience or to serve a special purpose—examples are children's programs, programs for women, for farmers and fishermen, religious programs, school broadcasts, programs on national and international affairs, on business and economics, on labor, and on political affairs. I rather suspect in some parts of Canada in the next few weeks you may be hearing, and indeed viewing, several programs of matters political which probably will include business, economics, labour and those things which I just have mentioned above.

Some of these programs demand months of planning and the effective coordination of many varied components. Others—radio interviews, for instance—may be arranged at comparatively short notice. Costs may vary from \$50 or less for a local radio program to \$400,000 for the 1957 royal visit on radio and television. I might interject that probably the costs of the forthcoming visit of Her Majesty and Prince Phillip will cost as much, if not more, and I am sure none of us will regret spending one penny of that amount.

All of this program output is arranged in weekly schedules, in which every effort is made to achieve a reasonable balance. This balance has to take into account the size and character of the potential audience, and the extent of the program's distribution, nationally or regionally.

CBC program service is described in detail in a separate submission under the title of 'The National Program Service' and I should like to have our Controller of Broadcasting, Mr. Charles Jennings and his deputy, Mr. Marcel Ouimet speak to you about programs at one of the early upcoming sessions of this committee.

You have heard me mention the word "distribution", and I think possibly the next few paragraphs should explain to you just what is meant by "program distribution".

### Program Distribution

Another of the corporation's responsibilities is to make its national program service available to as many Canadians as possible, in English or French. In this country the only practical way of doing this is by extensive network operations, since the range of any individual broadcasting station is somewhat limited. A great many stations must be linked together by a network to serve the whole country. The CBC has its own transmitting stations serving certain areas, but, as I have said before many other areas have to be served through private stations connected to CBC networks.

The volume of network radio broadcasting has grown by almost ten times since the CBC was established by parliament in 1936. Today the corporation operates five networks—trans-Canada, French, Dominion in radio, and French and English networks in television. Each has a special character. The details of networks and stations are set out in another submission, entitled 'Radio and television networks'. The maps and information in this submission will, I hope, help you to understand the complexities of this aspect of our operations. I might mention that the facilities required to connect our television network are, we believe, the longest in the world.

Of course, we do not know what our friends in Russia have, but we are still under the impression that our network facilities are longer than theirs.

A word about CBC stations and coverage. I shall try to explain to you later this word "coverage".

### CBC Stations and Coverage

When the CBC came into being, it set a general objective which its then Chairman, L. W. Brockington, Q.C., expressed as 'making it possible for every Canadian to hear the corporation's programs and of providing the best programs wherever obtainable.'

In 1937 a technical survey was undertaken to determine the precise coverage of the network and of all Canadian stations, as well as the extent and character of interference. This survey revealed that approximately 50 per cent of the population was being given assured coverage but that rural Canada was receiving much less service. To remedy this situation and to provide adequate coast-to-coast facilities, the Board of Governors approved a long-term plan, the essential feature of which was the ownership by the CBC of high-power stations occupying clear channels to serve both urban and rural listeners.

Some time later, in order to help overcome geographical difficulties hampering reception in certain areas (notably in the East Kootenay and Cariboo districts of British Columbia and parts of Northern Ontario, Quebec and New Brunswick), a new type of station was developed. This was the LPRT, or low power relay transmitter. This type of transmitter could be fed directly from the network lines (those lines already paid for and in use to connect the larger centres) and the transmitters of this type were meant to give coverage to areas which received little or no service from regular broadcasting stations, either CBC or privately-owned. Since 1940 the corporation has installed these low power transmitters in some 50 areas which receive full service of the Trans-Canada or French network.

However, many more are needed if CBC service is to be as truly national as you would like it to be.

Members of this committee, and members of parliament generally, are rather familiar with this peculiarly Canadian problem of bringing national service to isolated areas. The corporation conducts a continuing study of areas from which such applications come to have these LPRTs installed. Our engineering and research departments collect relevant data—the potential radio homes,

the source of power, the means of providing service and, most important of all, the cost of installing and operating the proposed stations through linkage to existing network lines. From this data, our cost index per radio home is determined. CBC management and board of directors (and the former board of governors) was and is now supplied with a report on the basis of which the corporation can come to a conclusion as to those locations for which licences should be sought, subject, of course, to the availability of capital and operating funds for such additions to the national service.

We now come to that rather interesting subject—not in any sense deprecating radio, but this subject of television. It may be helpful if I were to review for you, as briefly as I can, the growth of C.B.C. television.

In the years preceding television in Canada, the CBC gave a lot of thought to Canadian needs and conditions. It came to the conclusion, rightly or wrongly, that the development of television broadcasting should be undertaken by the corporation as part of the national broadcasting service. The CBC recommended to the government the licensing of publicly-owned television stations supplemented by individual private stations connected with the CBC-operated network.

In 1949 the government announced an interim plan pending the report and recommendations of the royal commission on national development in the arts, letters and sciences, which was known as the Massey commission, headed by our now Governor General. This interim plan involved the establishment of national television production centres at Toronto and Montreal, with transmitting stations in each of these cities. The government loaned the CBC the necessary capital funds. The CBC was asked to provide programs for private broadcasting stations which might shortly become operative in other parts of Canada.

In 1951 the report of the Massey commission strongly recommended a national television system and specifically that the CBC proceed with plans for national coverage and for the production of television programs in French and English. It also recommended that all private stations licensed be required to serve as outlets for national programs.

In May, 1952, the corporation submitted to the government a proposal for the development of a nationwide television system. This called for CBC stations and production centres at key points across the country as a basic framework. In addition individual private stations should be licensed in other areas and would extend coverage of the national service through their affiliation to the CBC network. CBC estimated that this pattern would provide service to approximately 75 per cent of the Canadian population.

In the autumn of 1952, the government announced its plan for the development of television in Canada or "further development", I might say. It indicated willingness to permit the CBC to establish further television production centres and stations at Vancouver, Winnipeg, Ottawa and Halifax, and provided loans for the purpose. In addition, the government suggested it would license private stations to serve areas not served by CBC facilities. Its objective was to make national television service available to as many Canadians as possible through cooperation between private and public enterprise. Under the plan all licensed private stations would carry national program service, in addition to programming of their own, and no two stations would be licensed to serve the same area. Some six and almost seven years later, after the announcement of this plan, Canadian television is available to approximately 90 per cent of the population, but, may I add regretfully, there are many unserved areas demanding TV service.

Let us deal now with the basis for recommending C.B.C. installations.

In making its 1952 submission to the government, the Board of Governors put forward recommendations for CBC production centres and transmitters in each of the principal geographic regions. The board took this step because it thought it desirable that there should be CBC originating points in all of these key areas so that the national service could reflect the regional as well as the national characteristics of Canada and so that there would be regional opportunities for Canadian artists, performers, writers, technicians and engineers. It also was the opinion of the board that the corporation should be provided with its own facilities in areas where large populations could be served in order that the national system could be supported by revenues from commercial operations--that is by advertising--thus lessening the extent of dependence on public funds.

In addition, the Board of Governors considered that it was the responsibility of the CBC to provide television service through relay transmitters in areas which appeared unlikely to be able to support a private station. As I have said before there are many demands for service. The CBC gives earnest consideration to all these. However, it must study them within the limits of its resources and must proceed on the basis of making installations which provide service to the greatest number for the lowest cost or expense. In its planning, CBC management has worked out certain criteria for the extension of coverage through CBC facilities. These criteria, intended to ensure the economical use of public funds, are:

- (1) A broadcasting channel should be available in the area.
- (2) In order to qualify for consideration the population of a centre should exceed an established minimum.
- (3) A reasonable balance should be maintained between geographical areas and the French and English languages.
- (4) A study should be made of population distribution and topography to determine the most effective and economic transmitters to install.
- (5) Consideration of the method of providing program service for a potential CBC installation should take into account the comparative costs of service by (a) network connection, (b) off-air pickup from another CBC transmitter and (c) television recordings, originally called—and it has now almost become a nasty word—"kinescopes".
- (6) Annual operating costs per television home served should be determined for each potential installation in order to provide unit cost comparison. Other things being equal, the potential installation with the lowest unit cost should receive attention first.

Mr. Chairman, may I pass along to the Broadcasting Act, the new Broadcasting Act, copies of which I assume you have before you. If not, they are certainly available. I am sure you all have them. Maybe you have not brought them with you, but they can easily be obtained, although I do not know whether they are necessary at this particular time.

The new Broadcasting Act proclaimed November 10, 1958, provides for a Board of Broadcast Governors to regulate the establishment and operation of networks, the activities of public and private stations in Canada and the relationship between them, and to recommend to the licensing authority on applications for all new stations. As the BBG will obviously be available to appear before you, it is not for me to say just what its functions or responsibilities are. The act does confirm the status of the Canadian Broadcasting Corporation as a crown corporation for the purpose of operating a national broadcasting service.

It ensures that there shall be a board of directors. I do have something more to say about the board of directors, and I think I should make it clear at this point, because there seems to be a considerable amount of confusion

in the minds of some people as to the difference between the Board of Governors, which was the C.B.C. Board of Governors and which has been replaced by the Board of Broadcast Governors, and the C.B.C. Board of Directors.

I am going to add to the confusion in a little while by telling you something about this Board of Directors, but the act also sets out quite clearly certain financial and other provisions relating to its operation.

In connection with extension of C.B.C. coverage—probably, at this point I should tell you, because we use this term “extension of C.B.C. coverage” quite frequently, just what that involves, or might involve. It might mean the installation of a high power transmitter or a low power transmitter somewhere. It might mean the installation of a relay station or, indeed, it might mean the extension of the microwave system. Those are the things that are encompassed, if you like; at least that is the way we use the expression “extension of coverage”.

The Broadcasting Act requires the C.B.C. to submit a five-year capital program to the government by November, 1959 and, as I indicated a moment ago, to apply for authority to establish new broadcast installations. This means—and I think this is rather important—that C.B.C. applications involving extension of coverage and the installation of new stations are also heard at public sessions of the Board of Broadcast Governors and are recommended on by the B.B.G. to the Minister of Transport.

I have tried to explain the steps which the C.B.C. must take in developing additional radio and television coverage to stress the fact that there are many areas where coverage is not yet available, and I have tried to tell you some of the reasons why these people in these unserved areas are now literally demanding service from the C.B.C. It may also be drawn to your attention that when the last parliamentary committee on broadcasting met in 1955, our television service was available to 73 per cent of Canadian homes; now it is available to 90 per cent of them.

You may wish to question those figures at some later time. I hope Mr. W. G. Richardson, our director of engineering, will be able to make it a little more clear. If he is not able to, there are others who will be able to make this clearer than I propose to at this time.

There is one other fact which I mentioned but which I should perhaps restate in the clearest possible terms. To extend either radio or television coverage requires not only capital, but also operating funds. In 1956 the corporation submitted to the Fowler Commission a capital program covering a period of seven years. This program provided for progressive extension of coverage, as well as for other developments in the radio and television fields. A further revision of coverage plans will be reflected in the five-year capital program to be submitted this year.

Mr. Chairman, I think I will say something about our C.B.C. board of directors. I think most of you know the act, and I am sure you do realize that under its provisions, as I have indicated before, the regulatory and related functions formerly exercised by the C.B.C. Board of Governors are now the responsibility of the Board of Broadcast Governors, which is a completely new body as I explained a moment ago. This gives fresh emphasis to the corporation's primary function of providing a national broadcasting service. It is with this task that our board of directors, appointed last November, is mainly concerned. Our directors are: Mr. J. Alphonse Ouimet who is president; Mrs. Kate Aitken of Toronto; Mrs. Ellen Armstrong of Calgary; Mrs. Alixe Carter of Salmon Arm, British Columbia; Mr. R. L. Dunsmore of Montreal; Mr. Raymond Dupuis of Montreal; Mr. R. W. Ganong of St. Stephen, New Brunswick; Mr. C. W. Leeson of Stratford, Ontario; Dr. C. B. Lumsden of Wolfville, Nova Scotia; Dr. W. L. Morton of Winnipeg; and, of course, myself.

We also have in attendance from the board of directors, Mr. Barry MacDonald, secretary, whom I will introduce to you, and Mr. Jack Halbert, the assistant secretary.

The board of directors is responsible for CBC operational and financial problems. In the main it deals with such matters as:

- (a) the establishment and revision of by-laws;
- (b) the establishment of basic policies and directives;
- (c) the consideration and approval or rejection of broad operating plans;
- (d) the approval and recommendation to parliament of annual capital and operating budgets;
- (e) the approval of proposals to the appropriate Minister and the Minister of Finance for submission to the governor in council of a five-year capital program;
- (f) the recommendation and submission of the annual report to parliament; and
- (g) the overall direction of the corporation's affairs.

The CBC board of directors held its first meeting on December 4, 1958, and passed by-laws which provide for the conduct of meetings of the board, and the establishment of executive, finance and program committees.

The executive committee, generally speaking, is vested with full authority to act for the Board of Directors between meetings of the board should any unusual or emergency situation arise. The president is chairman of the executive committee which also includes the chairman of the finance committee, Mr. R. L. Dunsmore, the chairman of the program committee (myself) and two other directors, Mrs. Aitken and Mr. Dupuis.

The finance committee of the board (composed of Mr. Dunsmore, Mr. Ganong and Mr. Leeson, as well as Mr. Ouimet and myself) is required by by-law to survey the financial operations of the corporation and submit to the board, as the board may require, a report of such financial operations, including any recommendations it may have with respect to them. The functions of the finance committee may include any of the following:

- (a) review monthly financial statements as prepared and presented by management;
- (b) submit to the board at each regular meeting a financial statement and recommendations thereon;
- (c) review and recommend on the financial implications of any transactions involving CBC;
- (d) review financial submissions of the corporation to the treasury board;
- (e) review and recommend to the board on the annual capital and operations budgets and keep in touch with budget developments;
- (f) review and recommend to the board on the over-all salary budget for management personnel;
- (g) request studies by management of any financial operations of the corporation;
- (h) recommend to the board, or in an emergency to the executive committee, on proposed changes in any CBC operation to improve the financial position of the corporation;
- (i) review and recommend to the board on financial and operational forecasts;
- (j) review and recommend on any financial matter referred to it by the board, the Executive Committee or by Management through the President.

The board of directors asked Mr. R. L. Dunsmore to be chairman of its finance committee and already this committee of the board has performed most useful service.

I think I mentioned before Mr. Dunsmore is the chairman of the committee so I will pass on to the third and largest committee of the board, and that is the program committee.

As I have mentioned, the program committee is composed of myself, Mrs. Aitken, Mrs. Ellen Armstrong, Mrs. Alixe Carter, Mr. Raymond Dupuis, Dr. Lumsden, Dr. Morton and Mr. Ganong.

On behalf of the board of directors, the program committee may:

- (a) review the established program policies of the corporation;
- (b) recommend to the board such changes in policy and such new policies as may appear desirable;
- (c) review program standards of the corporation;
- (d) recommend to the board such changes in standards or such new standards as may appear desirable;
- (e) review the program performance of the corporation in the light of established policies and standards;
- (f) receive such reports and other information from management as may be necessary for the performance of the foregoing functions.

Now, if I may, I would like to deal rather briefly with the C.B.C. organization.

#### *C.B.C. Organization*

The organization of the corporation is shown on two charts which I believe are available to you through the Clerk of your Committee.

The CHAIRMAN: They have already been distributed.

Mr. BELL (Carleton): I think they should be printed in the proceedings, Mr. Chairman.

The CHAIRMAN: Yes; thank you, Mr. Bell.

The first chart shows the broad areas of responsibility in the corporation's administrative structure. It indicates that at head office, the chief executive, Mr. Ouimet, is assisted by a group of senior officers who specialize in areas of administration, broadcasting, engineering, finance, management planning and development, operations and public relations. Those are the gentlemen whom I introduced to you this morning.

The head office of the corporation is by statute located in Ottawa. In order to meet the varying needs of a big country and to try to resolve the difficulties presented by the existence of seven time zones, the C.B.C. is divided geographically into six regions for purposes of administration and operations. These are: British Columbia with headquarters in Vancouver, prairie provinces with Winnipeg as its centre, the Ontario and English networks division directed from Toronto, the Quebec and French networks division with Montreal as its central point, the maritime provinces with offices in Halifax and Newfoundland directed from St. John's.

At some time later I hope to give you the opportunity of meeting some of our regional directors, the people who are in charge of the various sections I have mentioned. We also have two other administrative units: The International Service—of which Mr. Charles R. Delafield is the head—having its headquarters in the Radio Canada building in Montreal, and the Northern and

Armed Forces Service—Mr. Andrew Cowan is the director of that service—directed from Ottawa. The latter deals with broadcast service to the Yukon, Northwest Territories, to the northern area of certain provinces, and to Canadian armed forces overseas through transmitters operated and paid for by the Department of National Defence.

I am sure that by this time you have become pretty well confused about the director business. First let me say this, that when we had a Board of Governors we were able to use the term "director" rather freely in the organization; but after we got a Board of Directors we found out we had so many directors of our own that it became very confusing. Let me put them in this order. There is the Board of Directors—whom I named—that was appointed by the government, and the directors of the regions are C.B.C. employees responsible for administration and the programming in their areas. Then we unfortunately have as well—I should not say "unfortunately"; we are pleased to have them, but it is unfortunate that we cannot find a better name for them—a number of other directors. For example, you have heard me mention the director of engineering. He, also, is one of the paid employees of the corporation. So I hope that you can keep these terms that I am using clearly in your mind and differentiate between the Board of Directors, directors of the regions, and directors of divisions or sections, who are really—as I say—employees of the corporation.

Each region is headed by a director who is responsible for the interpretation and application of corporation policy. He directs the operating units, controls the activities of staff services and is mainly responsible for public relations in his region. Under him are specialized staff officers. Each operating unit is managed by a station manager or director reporting to the regional director.

It may be noticed that two areas are referred to as divisions. These have special responsibilities. In addition to being administrative centres for the geographical area, they are the headquarters for network operations. The two divisions are in Ontario for English networks and in Quebec for French networks. For these two divisions, network program directors plan the program schedules in both radio and television. They also determine at what points programs will originate, direct commercial activities and relations with affiliated stations, and in general exercise quality control over programs.

In the second chart, which is basically the same as the first, will be found the title for each of responsibility. In addition, for each staff position at head office a list of functions is given which will serve to identify the area of activity of each controller or director. Our controller of management planning and development, Mr. Marcel Carter, will, I am sure, be happy to enlighten you further in this connection, if any enlightenment is needed; and it may well be.

Briefly touching on the international service.

I would like to reiterate what I said before about the financing of the international service which goes out to the world by shortwave and recordings and provides a Canadian service of information and programs to other countries. The corporation carries on its books and shows on its balance sheet, as a separate item, the total cost of this service's real property, technical equipment, transmitters and so on. All expenditures of international service are covered by a separate parliamentary appropriation and the annual estimates of the service are approved by treasury board before being considered by parliament. They are also discussed with the Department of External Affairs.

Briefly a word about CBC engineering.

The corporation has had to build its own staff of engineers, architects and technicians in order to operate and maintain all of the highly specialized electronic and mechanical equipment needed in broadcasting. These services come under the supervision of the director of engineering, Mr. W. G. Richardson, who—as I said before—will be available to supply any technical information you may require. If not, his assistant, Mr. Johnson, will be available.

Now a word or two about CBC staff.

The national broadcasting service is built on the contributions of individual members of our staff. They have many specialized capacities. We determine the salary differentials for different staff positions through a job analysis and assess the relative value of new jobs and re-assess positions, the nature of which has been altered. Staff statistics, except for individual salaries, are available. All of our procedures dealing with staff and welfare matters are the responsibility of the controller of administration, Colonel R. P. Landry, who is prepared to answer any question or give information you may desire.

Then a word about C.B.C. information services.

One of the areas to which the corporation has given increasing attention over the years is that of informing the public about C.B.C. program activities. It has been our conviction, and this has been supported by others who have studied the problem, including parliamentary committees, that our own facilities are the best means at our disposal for this task. The responsibility for C.B.C. information services rest with our director of public relations, Mr. R. C. Fraser, who will be attending most of the sessions, I hope, of this committee and will be available to answer questions which committee members may be interested in.

Then, if I might pass on to our relations with staff unions.

The corporation, because it is a federal body, comes within the review of the Minister of Labour and the Canada Labour Relations Board according to the terms of the Industrial Relations and Disputes Investigation Act of 1948. CBC union relations date back to May of 1952 when the American Newspaper Guild—that is, ANG—was certified by the Canada Labour Relations Board as a bargaining agent to represent a unit of reporters and editors employed in the CBC news service. Since then four other unions have been certified at various times, so that presently 76 per cent of staff are represented by unions. The remaining 24 per cent is made up of management, supervisory and confidential employees who have been excluded from collective bargaining under the Canada Labour Relations Act.

Mr. Chairman, you will see a long list of the unions with which we have agreements, and I would beg your forgiveness if I do not read them to you, except to say, in very general terms, that I think we have about 5,200 all told listed here. They range from the largest—the IATSE group of 1,530 and the NABET group of 1,200—down to a rather small group of building service employees.

The CHAIRMAN: Is it agreeable, ladies and gentlemen, that this be put in the record?

Agreed to.

21199-5-2½

## SPECIAL COMMITTEE

At present there are nine agreements in force.

Union	Employees Covered	Approximate Number
Canadian Wire Service Guild (Local 213)	News Department Clerical, Production	140
Association of Radio and Television Employees of Canada (ARTEC)	Clerical, Production & Announce staff	2,100
Association of Radio and Television Employees of Canada (Building Maintenance Group)	Building Maintenance Staff	50
Building Service Employees' International Union Local 298 Montreal (BSEIU)	Janitors and Cleaners	65
Building Service Employees' International Union Local 244 Vancouver (BSEIU)	Janitors and Cleaners	10
Building Service Employees' International Union Local 204 Toronto (BSEIU)	Janitors and Cleaners	75
International Alliance of Theatrical Stage Employees (IATSE)	TV Production, Staging, Film & Crafts	1,530
National Association of Broadcast Employees and Technicians (NABET Master Group)	Technical	1,200
National Association of Broadcast Employees and Technicians (NABET TV Studio Watchmen)	Television Studio Watchmen	30

Mr. BUSHNELL: Now our Relations with Talent Unions, which may interest you.

In addition to discussing matters with unions representing staff, the corporation deals collectively and bargains with authors, artists and musicians. I do not want any misunderstanding when I differentiate between artists and musicians, because musicians are artists; there is no question about that. The corporation negotiates with the Canadian Council of Authors and Artists (CCAA) and the American Federation of Musicians (AF of M).

In the fiscal year 1957-58 the corporation engaged approximately 625 individual musicians as well as some 1,200 performers affiliated to CCAA. Most of these artists were, of course, used on a number of occasions for a total of almost 60,000 performances in the year.

There is no agreement in contract form between the AF of M and the corporation. The rates and conditions governing musicians and radio and TV are outlined in two letters from the AF of M to the corporation. The first major interruption in the relationship between the corporation and its employees, experienced in Montreal at the beginning of this year, arose by reason of the refusal of some union members to cross a picket line which had been established by management non-union employees. Members of this committee will understand that this was an unprecedented situation for the corporation; indeed it may be safe to say that it was almost unprecedented on the national labor scene. At this time I will only say that with the help of all concerned, the corporation is providing what it hopes and believes a normal radio and television service on its French networks.

Now we come to a rather important part of my statement, which will be amplified later by Mr. Henderson and others. It is the part having to do with finance.

*Financial*

You have our last annual report containing our financial statements for the fiscal year ended March 31, 1958, which I would ask you to note was duly certified by the Auditor General of Canada.

We are now completing our accounts for the past fiscal year which ended March 31st. It will be some weeks yet before this is final and the Auditor General is in a position to certify to the correctness of our financial statements. However, as required by the Broadcasting Act, we shall be placing our report in the hands of the minister by the end of June for tabling in parliament.

The financial statements for this fiscal year—that is, for 1958-59—will reflect full implementation of the financial provisions of the Broadcasting Act, which became effective November 10, 1958, and which provided among other things for conversion of the corporation's loan indebtedness to the government of Canada into a proprietor's equity account on the books of the corporation.

In this introductory statement I feel I could give you some helpful information about the financial operations and controls of the corporation. The corporation must conform to the requirements of the Financial Administration Act, particularly for certain aspects of its operations, and those particularly affecting capital expenditures. In accordance with section 30 of the Broadcasting Act the C.B.C. may purchase, lease or otherwise acquire or dispose of real or personal property but must seek approval of the governor in council for transactions, other than those involving program material or rights therein, for a consideration in excess of one hundred thousand dollars or for a period in excess of five years.

As I have said before, section 35(2) provides that within one year after the coming into force of the Broadcasting Act and every fifth year thereafter the corporation shall submit to the minister and the Minister of Finance for submission to the governor in council a five-year capital program proposed by the corporation, together with a forecast of the effect of this program on the corporation's operating requirements. The corporation has always followed the practice of submitting both a capital budget and an operating budget to treasury board for its next financial year. It is customary to prepare and discuss the proposed expenditures with the minister to whom the C.B.C. reports and the officers of the treasury board in the closing months of the calendar year and the submissions, as approved, are included in the departmental estimates submitted to parliament annually. For example, in November, 1957, the corporation submitted its estimates for the fiscal year 1958-59 which were then approved by parliamentary vote in August of 1958. The total amount of these estimates so approved was \$60,140,000 consisting of \$51,491,000 for radio and television operations and \$8,649,000 for capital expenditures. Our accounting of these will be reflected in the financial statement for the year ended March 31, 1959, to which I have referred.

After approval of the estimates by treasury board the corporation then establishes internal operating plans and related budgets designed to provide yardsticks and benchmarks against which actual performance can be and is carefully measured monthly during the course of the year. The practice followed is similar to that employed by, I presume, any commercial business. However, it takes on an added importance for the corporation since expenditures must be kept within the total estimates approved by parliament for the year.

There is a budget committee at our head office for the purpose of coordinating, reviewing and recommending to the president and our finance committee and then to our board of directors, all of the corporation's budget estimates and any changes therein both with respect to our specific annual requirements on capital and operations as well as the five-year forecasts which have to be submitted to the minister reporting to parliament for the C.B.C. and the Minister of Finance under the provisions of the Broadcasting Act.

The effective functioning of our budget estimating requires that we base our forecasting on sound operational policy and plans. This demands the close and continuing attention of all of our senior officials at head office and in the regions. Our controller of operations, Mr. J. P. Gilmore, is responsible for coordinating this work. The planning decided upon in this way must be evaluated in terms of its financial requirements. This is the responsibility of our comptroller, Mr. Max Henderson, who with his head office staff and the regional chief accountants, carries out all financial estimating, costing, compilation and reporting thereon.

As the year progresses, the chief accountants in each of our regions prepare monthly financial reports. In addition to being consolidated by the comptroller at head office for this monthly report for management, these individual regional reports are the basis on which the officers in charge of various operating units take action. In this way all management officers keep a close watch not only on how money is spent but how efficiently various supervisors are managing their operations. Any unusual or extraordinary expenditure is the subject of management analysis and action at once.

Another financial control in the corporation's regular operations is a continuing internal audit carried out under the direction of the comptroller. This provides spot checks on the management of units and on the handling of particular transactions.

The corporation believes that, within the framework of broad policies and principles laid down by its board of directors, it should make as much money as it can from its commercial operations, compatible with its objectives which I think have been rather carefully spelled out by previous commissions and committees. There are two very good reasons for this:

- (1) to help lessen the cost of a national enterprise that must continue to rely on funds provided by parliament to maintain a high standard of service; and
- (2) within sensible and economically justifiable limits, to expand its services to its shareholders, the public of Canada.

I think I have already mentioned this two or three times, but it leads me to the next paragraph, so I hope you will allow me just to speak again about this five-year forecast of estimated capital requirements.

The basis on which this forecast will be made is now under close study by managements and the board of directors. The work involved must be completed by November of this year—that is a short time to do it in.

Certain very basic assumptions should be made in such a forecast. Specifically we are obliged to estimate to what extent the recommendations of the board of broadcast governors are likely to affect our present operations and future plans. We must assess the impact of private station competition on our revenue from commercial operations. In addition, we ourselves face a number of capital projects which must be undertaken if we are to achieve our goal of maximum efficiency at minimum cost to the Canadian taxpayer; and probably as good an example of this is in the importance of consolidating our production facilities in the large centres of Montreal and Toronto where we are now too widely dispersed.

Mr. CHAIRMAN: I hope this report has not wearied you. Probably it has wearied me a little more; I seem to show some evidence of that. It is just the voice more than the physical effort, but there are many other aspects of this complicated business which I might have included, and I know there will be many questions you will wish us to answer. My colleagues and myself are here to do just that, as well as we can.

Thank you very much gentlemen, for giving me such fine attention here today. Thank you, Mr. Chairman.

The CHAIRMAN: Mr. Bushnell, we are obliged to you for this most comprehensive report.

I see it is 12:15, and we can do one of two things. We can proceed with this report and review it page by page with questions, or, although I think it is a little too early, we could adjourn this meeting. What is your wish?

Mr. CHAMBERS: Let us carry on for a while, Mr. Chairman.

Mr. SMITH (*Simcoe North*): Mr. Chairman, I was wondering if there was some way in which you could divide the questioning for the discussion on the report so it would not be necessary to keep all Mr. Bushnell's assistants here all through the hearings. If we could decide at one hearing to deal with certain aspects, then only those experts would need to be here at that particular hearing.

The CHAIRMAN: That is the intention of the subcommittee. We will have a meeting today or tomorrow, and present our proposed agenda to Mr. Bushnell, so that he can call in those people only who are particularly interested in the questions which we will have for that date.

Mr. SMITH (*Calgary South*): I think, Mr. Chairman, that merits consideration, because in taking the report page by page you come back at various points to a variety of subjects; and if, as an example, the committee could consider on one day the question of finance and on the second day the question of production, it would provide better continuity for the committee.

The CHAIRMAN: I think you are right, Mr. Smith. There is one way we could proceed if we do not wish to go into questioning today. On page 8 of the report I notice Mr. Bushnell stated that Mr. Charles Jennings has another report on programming. If it is your wish, we could hear Mr. Charles Jennings at this time, if he is prepared to submit that report.

Mr. KUCHEREPA: How long would it take?

The CHAIRMAN: How long would your report take, Mr. Jennings,—fifteen minutes, half an hour?

Mr. CHARLES JENNINGS (*Controller of Broadcasting*): I think what I could do, Mr. Chairman, is to ask first of all, if this report on the National Program Service has been distributed.

The CHAIRMAN: Yes, it has been distributed.

Mr. JENNINGS: I might spend a very few moments pointing out to you what is contained in the report, Mr. Chairman.

The CHAIRMAN: Thank you.

Mr. JENNINGS: I think, sir, it is probably far too long to go into in the time at our disposal here, but perhaps I could go over the contents. Do the members of the committee have it?

The CHAIRMAN: Yes, they do. I think that might be wise, Mr. Jennings, if you would just run quickly over the headings of this, with any comments you may wish to make in approximately 15 or 20 minutes.

Mr. JENNINGS: Let me start this by reading the first page of it, which details what it is all about.

This chronological survey of C.B.C. programs was originally prepared as a submission to the royal commission on broadcasting during the summer of 1956.

It has been brought up to date by the addition of a section covering the years from 1956 to the present, and it has been indexed since the time it was originally prepared.

The original intention of the submission was to state the basic principles and objectives of C.B.C. programming and by means of a summarized account of the programs themselves to show how the corporation had tried to fulfil these ends.

The next page is the index. Immediately following the index you will find an introduction, running to some four pages, which states the programming policy and objectives of the corporation.

That is followed by another section which covers the activities of the English networks from 1936 to 1939, the war years, 1939 to 1945, and the ten years 1946 to 1956. Then there is a section dealing with the French network, and finally a summing up.

Then we have presented an addendum which deals with French networks from 1957 to 1958 under various headings, and the English networks under the same headings.

I do not know how long it would take—probably about ten minutes—to go through the introduction. That is the first four pages, if you would like me to state that.

The CHAIRMAN: I think that might be advisable.

Mr. PRATT: I wonder if I could ask a question arising from Mr. Bushnell's report, on page 17, which deals with programming?

The CHAIRMAN: Page 17, did you say?

Mr. PRATT: Yes, page 17 of Mr. Bushnell's report. I wonder if the committee could have a more detailed definition of the difference between "program policy" and "program standards" before hearing this report?

The CHAIRMAN: It has quite a considerable amount to do with Mr. Jennings' initial report.

Mr. PRATT: Yes, and that is why I ask the question now, Mr. Chairman.

Mr. JENNINGS: It might emerge in the report, on my reading this introduction.

The CHAIRMAN: That is all right then. Do go ahead, please, Mr. Jennings.

Mr. JENNINGS: The CBC was created by parliament to provide Canadians with a broadcasting service suited to the particular needs of this country.

It is answerable for its operations to parliament in the first instance and ultimately to public opinion.

The scope of its service has been determined by the national wealth and the needs of the people; its shape by geography and two official languages; its character by the democratic climate of our society.

Its programs, principally Canadian in origin but augmented by a selection from abroad, have been concerned with entertainment and relaxation; the imparting of objective news and information; the vitality of the nation's democratic institutions and values—free speech, the rule of law, respect for the individual, freedom of worship, freedom of inquiry; the health of the nation, the efficiency of its economy and its good repute abroad; sport; the education of youth; and the creative arts are the lifeblood of its programs.

Its policy has been to invest each program according to its nature with that degree of relaxation, humour, stimulation, escape, inspiration or excitement necessary to arrest and hold the listener's interest.

Its organisation has been developed on a regional basis in order to tap for program material the thought, aspirations, traditions and art of individuals, groups and communities in every part of the country.

Its regional policy is a three-way system of serving the particular needs of the people of the regions in such fields as school broadcasts, news, farm and fisheries broadcasts; of fostering and sustaining local and regional thought and traditions so that they may contribute to national programs; and of developing and sustaining talent in the fields of music, drama, and writing on a basis of professional competence in all regions.

Out of this regional diversity the Canadian character has grown, slowly and at times frustrated by *sectionalism* and *factionalism*. But the richness of its promise has already been reflected in many CBC programs.

Believing that the citizen of a free society is a complex of interests, tastes and capacities for enjoyment, the starting point in the production of CBC programs is the conception of listeners and viewers as individuals, not as a mass. As a listener or viewer he cannot be classified for the convenience of program producers as highbrow, lowbrow, or middlebrow; jazz fiend, long hair or sports fan. Packaging individuals neatly into such categories for easy handling is a totalitarian device; the combinations of tastes in the individual vary widely. The same individual may have within him the capacity to enjoy symphonic music, boogie woogie, farce, wrestling, political discussion and religious experience.

It is this variety in the individual that gives our society its character and civilised life its richness.

The program spectrum of CBC is made as broad as possible in order that tastes already formed may be sustained and new ones encouraged.

CBC cannot at any one time provide a range of programs wide enough for all listeners and viewers to find their choice immediately. But it can and does provide such a range during the course of the day, the week or the month.

Within its resources CBC has made the democratic compromise of trying to serve all of the people some of the time rather than some of the people all of the time. Broadcasting a few types of programs most of the time, in the belief that this is the way of giving the public what it wants, degrades the listener or viewer from an individual to a type.

CBC conceives it to be its duty to provide as wide a range of programs as possible from which the individual listener or viewer may choose. This involves a reciprocal obligation on the listener or viewer to accommodate himself as far as possible to the times at which programs of his choice are scheduled. Only in this way can the interests of as many as possible be served during the broadcasting day.

The CBC attempts to serve the largest number of listeners at the times most suitable for them by carefully devised patterns of scheduling and by its system of regional broadcasting: farmers at noon, housewives in the afternoon, children in the late afternoon, families in the early evening, adults in the late evening.

It does not regard radio listening or television viewing as a full-time occupation for any individual or section of the nation. No program schedule could be devised for the benefit of a single individual or group. To use the vast resources of radio and television to broadcast certain types of programs exclusively at the expense of the widest possible selection, to starve or leave unawakened certain capacities for enjoyment while others are glutted, would be a misuse of these resources, an impairment of their great potential.

In the final analysis, broadcasting produces nothing tangible, no 'end product', only an impact on the minds of listeners or viewers.

In the course of years and even generations it is hoped that the impact of CBC programs will enlarge the understanding and stimulate the creative genius of Canadians.

Understanding begets tolerance. As citizens of a nation embracing two cultures and languages, two aboriginal races and many other racial stocks, sectional economic interests and a scattered population, Canadians have need of an extra portion of tolerance and understanding.

One of the tests of healthy democracy is the tolerance of unpopular minority opinions, of new expressions of art and ideas, either native or imported, which are essential to the nation's development.

In the furtherance of Canadian arts—music, drama, ballet, design—CBC has set its sights at the international level. The commonwealth of creative art is international and national standards like good currency should be freely exchangeable among civilised peoples.

The vitality and efficiency of CBC can only be maintained by constant and constructive public criticism. Such criticism helps to maintain and improve artistic and technical standards, to inform and inspire program producers, to destroy complacency and preserve good taste.

While taking pride in its achievements of the past twenty years, CBC is aware of its constant duty not only to maintain recognized standards but to create new ones in keeping with the nation's growth and with scientific, artistic and social advances. It is aware of its opportunities and responsibilities as the second largest broadcasting system among the free nations and as the national broadcasting system of one of the leading western powers.

The values of western civilization which Canada has inherited and taken for granted for a long time are being challenged for the second time in this generation. CBC played a vital part in the national effort during World War II; it has an equally vital part in the competitive co-existence of the cold war.

CBC programs in their multiplicity and variety can help to quicken and enrich Canadian life in all its aspects.

Shall I go on and read the final paragraph which describes the body of the report?

The CHAIRMAN: I think you might as well, and that will complete it.

Mr. JENNINGS: The body of this report will deal with programs in detail, and will endeavour by the mention of outstanding programs during the last twenty years to show what the corporation has achieved in entertainment of all kinds, and in information, education and inspiration. The program service is in two sections, French and English, though the closest possible liaison is constantly maintained. Separate reports on French and English programs are presented. From them it will become clear that the corporation has always kept before its eyes the importance of integrating, so far as is possible, our two main cultures, of helping the two historic elements of the Canadian people to better mutual understanding and sympathy, and of drawing on the traditions of both for its programs.

The CHAIRMAN: Thank you very much, Mr. Jennings. Mr. Pratt, did you get the information you required from it?

Mr. PRATT: Not yet.

Mr. JENNINGS: I have tried to describe it this way, that in the field of policies we try over a broad range to decide what we shall do; and in the field of standards to decide how we shall do it.

Those are the two general approaches we make to the assessment of our program service generally. It's a continually changing thing.

Mr. PRATT: With regard to your last paragraph, why have you not have one production centre for French and English programs in the city of Montreal, and could not you bring to fruition one centre for Toronto and Montreal?

The CHAIRMAN: I suggest we hold off of any questioning right now.

There are two things I would like to mention. Have any members on the committee any charts or briefs that you think you might require at a later date, particularly those that might take some time to prepare? I think, in all fairness to Mr. Bushnell and his group we should ask for them now.

Mr. CHAMBERS: I have not read through this program completely, just having got it last night, and some of the information might be contained in there; but I would like a chart showing administrative responsibility for production and programming. We have heard of all sorts of producers and technical producers, and I am not clear as to the distinction. I would also like a chart—and this has been talked about by Mr. Bushnell—a chart for programming responsibility, how it evolves.

I would like two other things, a copy of the staff regulations and the method of establishing staff requirements.

The CHAIRMAN: Is there any reason, Mr. Bushnell, why they cannot be prepared?

Mr. PRATT: They could be brought out in some form or another.

Mr. SMITH (*Calgary South*): I would like, in the area of production, to learn or have placed before us any surveys of opinion as to whether the objectives mentioned here are being accomplished, if there are any.

Secondly, with relation to finance, I would like a breakdown of the administrative costs in relation to program costs.

Mr. BUSHNELL: Very well.

Mr. PICKERSGILL: I think Mr. Smith has anticipated what I was going to ask for. I had in mind we should be given all the details of the possible budget on which the estimates of the current year are based.

Mr. CHAMBERS: And the method of preparing them.

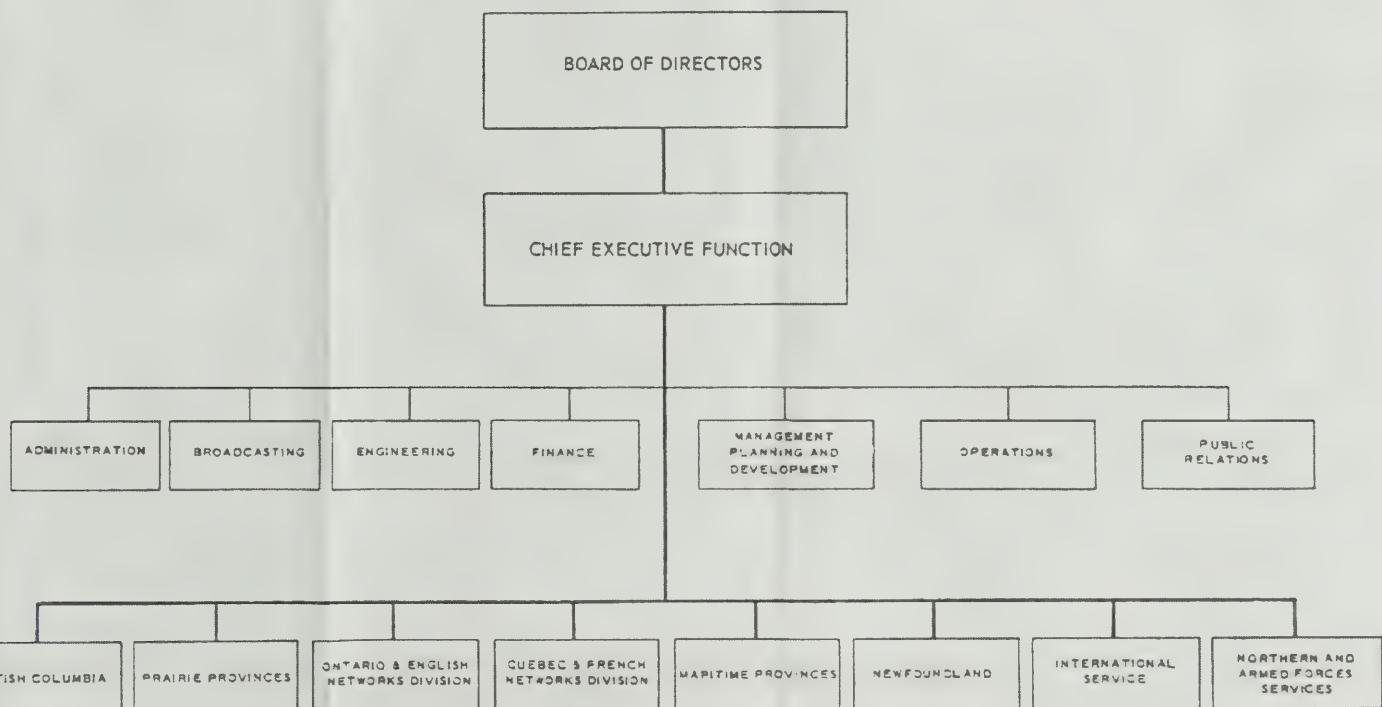
The CHAIRMAN: They can be produced.

Miss Aitken, and gentlemen, the next scheduled meeting of this committee will be on Thursday, May 14, at 9.30 a.m. in this room.

Mr. PICKERSGILL: Mr. Chairman, before we adjourn, I wonder if the steering committee, could meet right away?

The CHAIRMAN: I was going to ask the steering committee to remain in this room.

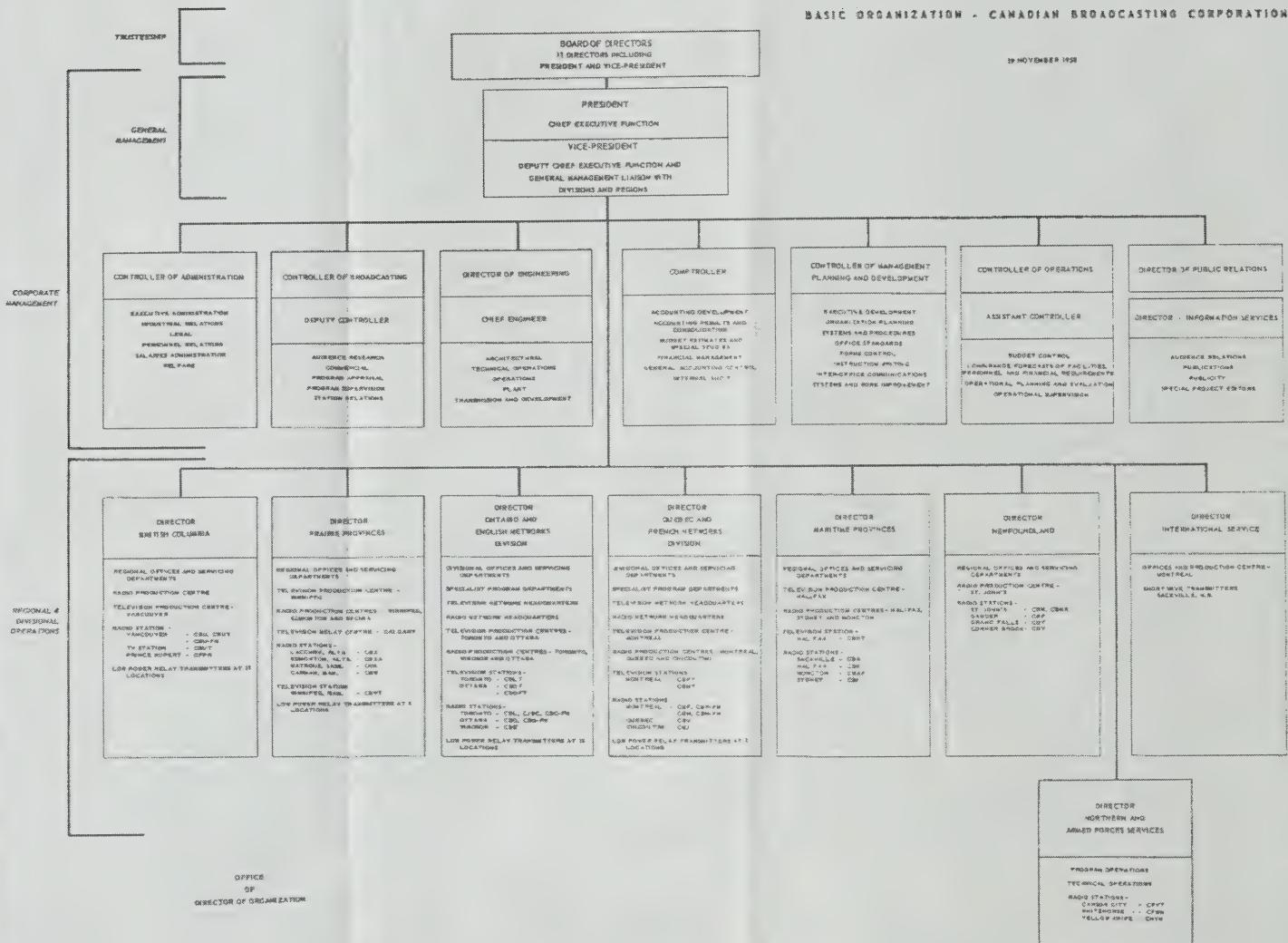
CANADIAN BROADCASTING CORPORATION



OFFICE  
OF  
DIRECTOR OF ORGANIZATION  
19 NOVEMBER 1958

BASIC ORGANIZATION - CANADIAN BROADCASTING CORPORATION

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HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*

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May 21 1959

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

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THURSDAY, MAY 14, 1959

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CANADIAN BROADCASTING CORPORATION

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WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;  
R. L. Dunsmore, Chairman, Finance Committee, Board of Directors;  
A. M. Henderson, Comptroller; and J. P. Gilmore, Controller of  
Operations.

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HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

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SPECIAL COMMITTEE ON

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Chairman: G. E. HALPENNY, Esq.

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MINUTES OF PROCEEDINGS AND EVIDENCE

UNIVERSITY OF TORONTO

No. 2

THURSDAY, MAY 14, 1959

CANADIAN BROADCASTING CORPORATION

## WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;  
R. L. Dunsmore, Chairman, Finance Committee, Board of Directors;  
A. M. Henderson, Comptroller; and J. P. Gilmore, Controller of  
Operations,

SPECIAL COMMITTEE  
ON  
BROADCASTING

*Chairman: G. E. Halpenny Esq.*

*Vice-Chairman: J. Flynn Esq.*

and Messrs.

Miss Aitken	Fortin	Nowlan
R. A. Bell ( <i>Carleton</i> )	Horner ( <i>Jasper-Edson</i> )	Pickersgill
Tom Bell ( <i>Saint John-Albert</i> )	Jung	Pratt
Brassard ( <i>Lapointe</i> )	Kucherepa	Richard
Campeau	Lambert	( <i>Ottawa East</i> )
Chambers	Macquarrie	Robichaud
Chown	Mitchell	Rouleau
Dorion	Morris	Simpson
Fairfield	McCleave	Smith ( <i>Calgary South</i> )
Fisher	McGrath	Smith ( <i>Simcoe North</i> )
Forgie	McIntosh	Tremblay
	McQuillan	

*J. E. O'Connor,  
Clerk of the Committee.*

MINUTES OF PROCEEDINGS

THURSDAY, May 14, 1959.

The Special Committee on Broadcasting met this day at 9.30 a.m. The Chairman, Mr. Halpenny, presided.

Members present: Miss Aitken, Messrs. Bell (*Saint John-Albert*), Campeau, Chambers, Chown, Fairfield, Fisher, Flynn, Forgie, Fortin, Halpenny, Horner, (*Jasper-Edson*), Macquarrie, Morris, McCleave, McIntosh, Pickersgill, Pratt, Richard (*Ottawa East*), Robichaud, Simpson, Smith, and Tremblay—(23).

In attendance: Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; A. M. Henderson, Comptroller; Barry MacDonald, Secretary, Board of Directors; J. A. Halbert, Assistant Secretary, Board of Directors; J. P. Gilmore, Controller of Operations; R. C. Fraser, Director, Public Relations; V. F. Davies, Director of Accounting Services; J. Pelland, General Accountant; and A. Watkiss, Senior Accountant.

The Chairman observed the presence of quorum and made a brief statement concerning the Subcommittee's decision to consider first the financial aspect of the Corporation's activities.

Mr. Bushnell was called and introduced Mr. Henderson who outlined the financial structure and accounting procedures followed by the Corporation.

Copies of the Broadcasting Act were distributed to Members.

Messrs. Bushnell and Henderson were questioned. Mr. Dunsmore answered questions concerning progress made by the Finance Committee of the Board of Directors in the framing of recommendations which would result in an improvement of the Corporation's financial position.

Mr. Gilmore was questioned with regard to the accuracy of the Corporation's operational budget.

At 10.55 a.m. the Committee adjourned to meet again at 9.30 a.m. Friday, May 15th.

J. E. O'Connor,  
Clerk of the Committee.



## EVIDENCE

THURSDAY, May 14, 1959.  
9.30 a.m.

The CHAIRMAN: Gentlemen, we have a quorum.

This morning I would like to report to the members of the committee that your subcommittee met immediately after the meeting on Tuesday morning. It was agreed that as far as possible we should try to follow a very definite pattern in our examination of the officials of the C.B.C. It was felt that one of the more important aspects of the work would be to review the financial affairs of the corporation, principally those contained in the Annual Report of 1957-1958. I myself feel it would be desirable to have from the corporation a general statement as to its policy, particularly in respect of its accounting system, with proper emphasis on the manner in which its financial operations are regulated and controlled.

Yesterday as a result of discussing this with Mr. Bushnell and his associates, it was felt it would be in the interests of the committee if we allowed Mr. Bushnell or one of his associates to make a statement on the financial aspects and in that way we would save time. If at the end of the statement you wish to ask questions you may do so. Is that agreeable?

Agreed to.

The CHAIRMAN: At this time I will call on Mr. Bushnell.

Mr. ERNEST BUSHNELL (*Acting President, Canadian Broadcasting Corporation*): Mr. Chairman, this morning we have with us Mr. A. M. Henderson, C.A., who is our comptroller and chief financial officer. He is familiar with all the financial practices of the corporation. He has been with us for some eighteen or twenty months and has had an opportunity to review the financial position of the corporation in the year 1957-1958. Also he has been able to bring our accounting practices more into line with what was requested by some of our consultants.

I should like to make it clear that the financial consultants who were engaged by the corporation were engaged prior to the time of the appointment of the Fowler commission. Mr. Henderson, however, has had a full opportunity to explore all the accounting practices of the corporations' policy before and since. Therefore, I think in the interest of brevity, I would like to ask Mr. Henderson to take over in order to explain to you—not at too great length—just what is the financial position of the corporation in that particular year and also some of the developments which since have taken place.

Mr. A. M. HENDERSON (*Comptroller, Canadian Broadcasting Corporation*): Mr. Chairman and gentlemen, I have put together a few notes designed to outline as briefly and succinctly as possible the basis of the financial structure of the corporation, its accounting system, its system of internal check, its control of expenditures, the preparation of its budget, and so on.

Mr. Chairman, if you feel it is satisfactory, I would like to run over a little bit of the background because it is important to have this in order to understand the steps now being taken under the new act. I will endeavour to do so within the space of about thirty minutes.

The CHAIRMAN: That will be in order.

Mr. HENDERSON: As Mr. Bushnell explained in his introductory remarks last Tuesday, the C.B.C. received its funds from several sources over the past years, from radio receiving set licence fees from 1936 to 1953, from statutory grants of various amounts—sometimes on an actual basis and sometimes over a term of years—from government loans which have carried provision for payment of interest and repayment of capital and from grants of amounts equal to the excise tax collected on sales of receiving sets and parts. This latter source commenced in 1953 but ceased on November 10, 1958, with the coming into force of the new Broadcasting Act.

Government loans were made to the corporation at various dates until March 1956, generally for capital purposes. In the meantime, as part of a five-year statutory provision commencing in 1951-1952, grants were made toward the operating deficit of the radio service in the amount of \$6,250,000 annually. In 1956, this was increased by an additional grant of \$12 million for the television service. The grants for 1958 and 1959 represented estimates approved on an annual vote basis to meet the operating requirements of both services.

In the six years 1954 to 1959, the corporation received from the government amounts which totalled in 1954 \$23 million up to an amount in 1959 of \$60 million. From commercial sources in 1954 it picked up \$8 million, so that its total income was \$31 million. In 1959 it picked up \$30 million to arrive at a total income of \$90 million. You will therefore note that over this six-year period the corporation's increment in commercial revenue has increased from 26 per cent to 34 per cent of the total, while its income from government grants has decreased from 74 per cent to 66 per cent of its total income.

The new Broadcasting Act became effective on November 10, 1958. Under paragraph 35 of this new act the minister is required to lay before parliament annually a capital budget and an operating budget for the next ensuing fiscal year approved by the governor-in-council under the recommendation of the Minister of Finance. The effect of this on the corporation's affairs is that commencing with its fiscal year beginning April 1, 1959, the funds estimated to be needed by the corporation will be voted on an annual grant basis by parliament annually and this source will be the only one from which the corporation can obtain its needs over and above commercial revenues it can earn.

With the coming into force of this act on November 10, 1958, payments from the consolidated revenue fund of amounts equal to the taxes collected under the Excise Tax Act in respect of sales of radios and television sets and equipments ceased. We had estimated our income from this source through March 31, 1959, at \$12 million. By November 10, 1958, we had collected \$9,806,448, hence the government paid us the balance of \$2,193,552 by means of a supplementary estimate passed by parliament in March, 1959. It should also be pointed out that effective with the coming into force of the new act, revenue from licence fees collected by the corporation ceased. Our estimate for these through March 31, 1959, was \$410,000. By the time the act came into force on November 10, 1958, we had collected \$459,000 as fortunately most of the fees were payable by the first of the year.

The Broadcasting Act contained certain financial provisions under section 33(4) and 39(1) and (2).

#### Section 33(4)

The corporation shall in its books of account establish a proprietor's equity account and shall credit thereto the amount of all money paid to the corporation for capital purposes out of parliamentary appropriations.

**Section 39(1) and (2)**

(1) Upon the coming into force of this act the Canadian Broadcasting Corporation shall pay to the receiver General of Canada such part of the working capital of the corporation as the Minister of Finance determines to be in excess of \$6 million, to be applied in reduction of the indebtedness of the corporation to Her Majesty in respect of loans made by or on behalf of Her Majesty to the corporation, and the remainder of such indebtedness is hereby extinguished.

(2) The amount of the indebtedness extinguished by virtue of sub-section (1) and the amount of the capital surplus of the corporation at the coming into force of this act as determined by the Minister of Finance shall be credited to the proprietor's equity account in the books of the corporation.

The proprietor's equity account provided for in section 33(4) was formally opened by journal entry on the corporation's books under date of November 10, 1958 to give effect to the transactions required under section 39(1) and (2) as and when the figures hereunder were finalized by the Minister of Finance. We furnished the minister with an interim monthly balance sheet of the corporation dated October 31, 1958 for purposes of entering into discussions with his office relative to the determination of our working capital as provided for under section 39(1) and (2). In view of the fact that this balance sheet was necessarily of an interim character in that physical inventories of supplies and various year-end accruals were not available at that date coupled with the fact that it had not been audited by the Auditor General of Canada, it was proposed that the corporation make a payment on account toward the reduction of its working capital with the balance to be settled when our year end balance sheet at March 31, 1959 was finalized and audited by the Auditor General of Canada.

This interim settlement was made on April 13 last in the amount of \$4,075,492 and as stated, is subject to final examination of our balance sheet of March 31, 1959 when certified by the Auditor General. As a result of this payment our working capital stands reduced to approximately \$6 million as determined by the representatives of the Minister of Finance.

We are at present engaged in finalizing our annual accounts at March 31, 1959 and, as Mr. Bushnell remarked in his introductory statement, it is expected that the Auditor General will shortly be in a position to verify to the correctness of our statements. These will then be considered by our board of directors in mid-June and transmitted to the minister promptly thereafter. These final statements will thus reflect the full implementation of the financial provisions of the Broadcasting Act and the final accounting under section 33(4) and section 39(1) and (2) of the new act.

Now turning to the budget estimates, I have already explained how under the financial provisions of the Broadcasting Act, section 35, it is provided that the minister shall annually lay before parliament a capital budget and an operating budget for the next ensuing financial year of the corporation. The act provides that within one year of coming into force of this act and every fifth year thereafter the corporation shall submit to the minister and the Minister of Finance, for submission to the governor in council, a five-year capital program proposed by the corporation together with a forecast showing the effect of the program on the corporation's operating requirements.

Excepting for the requirements that the five-year capital program must be submitted in this pattern in the future, the corporation has been following the practice of submitting both its capital and operating budgets to the treasury board annually for the next ensuing financial year. This is prepared in the

closing months of the calendar year for submission by the minister to the treasury board where the proposed expenditures are discussed and approved prior to their inclusion in the departmental estimates laid before parliament annually. Thus, it was during November 1957 that the corporation submitted its estimates for the fiscal year 1958-59 to treasury board, which estimates were then approved by parliament during August 1958. The total amount of these estimates as approved was \$60,140,000, consisting of \$51,491,000 for radio and television operations and \$8,649,000 for capital expenditures. Our accounting of these will be reflected in our financial statements for the year ended March 31, 1959 which, as I have stated, will be available by the end of June.

On December 1, 1958 the corporation likewise submitted its estimates for the fiscal year 1959-60 to treasury board, the total of which were included in the government estimates for 1959-60 and amounted to \$58,404,000 in respect of the net operating requirements of the radio and television services and \$9,197,000 for the capital requirements of these services including replacement of existing capital assets. Details of these figures for 1959-60 are to be tabled in parliament under section 35 of the Broadcasting Act in due course.

Turning now, Mr. Chairman, to the accounting system and procedures. Due to the rapid expansion of its operations with the advent of television in 1951 when the C.B.C.'s rate of operations was at a level of only \$11,500,000 annually compared to the figure of \$51,491,000 I just gave you for 1958, the corporation has had its full share of internal administrative problems and this was particularly true in the field of its accounting methods.

Until the end of 1957, the corporation maintained two sets of accounts, the general operating records in Ottawa and those from which the budget reports and operations were prepared in the field. During the year, expenses were recorded in the general books of account in Ottawa as they were made and accounts payable were set up at the year end so that for the year the accounts were on an accrual basis. Hence to prepare monthly statements from the general books of accounts maintained on this cash basis on the one hand, and on a commitment basis on the other, would have been meaningless.

Accordingly since methods such as these would not lend themselves to effective monthly interim accounts, it was the practice of the corporation to close its books only annually for the financial statements to be verified by the Auditor General of Canada.

Financial consultants were retained to study the situation in light of the report of the financial advisor to the royal commission on broadcasting. As a result it was recommended among other things that financial control of the corporation be improved by divorcing network from station operations and by submitting to management periodic statements of income and expenditure for each network and each station. It was agreed that these recommendations could be most readily implemented by the following steps:

- (1) The decentralization of accounting functions from head office to the regions.
- (2) A conversion of the money commitment records maintained at the regions into books of accounts based on the double entry principle.
- (3) The preparation of income and expenditure statements for each C.B.C. station, region and network by the regional chief accountants under the direction of the comptroller and the consolidation of these statements by the comptroller at head office for presentation to management.

These new procedures were brought into effect on April 1, 1958. Since that date we have issued monthly individual income and expenditure statements governing the operations of each of our wholly owned television and radio stations and each of our national and regional radio and television networks

together with a consolidated picture for the corporation as a whole, tying into a monthly consolidated interim balance sheet.

I should say at this point that certain difficulties were encountered both in the format and presentation of these monthly figures during the past fiscal year because as you can appreciate, we had no corresponding figures for the previous year with which to compare them nor could we adequately reconcile our requirements with our internal budget figures. However, these difficulties are straightening themselves out and beginning April 1, 1959 we are producing what we regard as a most informative statement of the individual operations compared with detailed figures on the same basis for the previous year and with our budget estimate for the month in question.

With regard to control of expenditures I have sought, Mr. Chairman, to outline our accounting system briefly and I will now refer to the manner in which I am able to lay its results before the management and the finance committee of our board of directors.

Each month before the close of the month following we complete an interim balance sheet and statement of income and expenditure and related statements for the corporation for each regional point broken down by the individual results of each of our radio and television stations and each of our radio and television networks, regional and national.

These statements are submitted on a consolidated basis by me and reported on in a written monthly report directing management's attention to developing situations along with constructive comments toward their solution. Thus, we have the facts before us on which immediate remedial action can be based. Special attention is given to what we might call routine type expenses such as travelling, telephones, overtime and the like which can so often get out of line in an organization as far flung as ours. In addition, numerous special studies are under way regularly in my department both in head office and in the regions on which I also report in these monthly submissions.

It is particularly heartening to me as comptroller that these reports are examined and discussed exhaustively with my associates and they are also the subject of detailed reviews with Mr. R. L. Dunsmore, the chairman of our finance committee, and his associates when the finance committee of our board of directors meets monthly.

In the same manner in which I report in this way on a consolidated basis for the corporation as a whole at head office, the regional chief accountants in St. John's, Halifax, Montreal, Toronto, Winnipeg and Vancouver, who are responsible to me for their accounting direction, are reporting on their own regional statements to the directors of the respective regions.

In my opinion this type of operation from an accounting standpoint is decentralization at its best. The more you can break down expenses in an operation like ours by department, and by objects, and do so by means of comprehensive monthly accounting control statements to be placed in the hands of operating management, the better control you have over expenditures. Figures in this way diagnose a developing situation before the event, which is the time to check it.

I am very pleased with the way in which my head office accounting staff, the regional chief accountants and their staffs across the country have responded to the many changes we have made and the enthusiastic manner in which they are discharging their responsibilities at all levels.

As comptroller, my role is that of chief financial officer of the corporation and this involves sharing the responsibility with the president and vice-president in the signing of all cheques and agreements even though, as in the case of any large organization, this work must be delegated in certain areas. Nevertheless, the responsibility is mine to see that the financial and accounting implications are in order before any commitments are made. I should

mention also that we also maintain a continuing internal audit of our head office and regional operations in accordance with a program of work approved by the Auditor General of Canada.

*Evaluation and costing of budgets.*

I have already mentioned how our annual budgets require to be submitted to treasury board in the closing months of each calendar year. This year is a particularly heavy one for us in this regard because not only do we have to submit the five-year forecast to the minister by next November, but we have also to be specific in respect to the first of these five years which will be our 1960-61 budget estimate both for the operating and capital requirements of the radio and television services. This year we want to have our entire capital and operating budget plans evaluated, costed and apportioned internally as between our various departments before we meet to discuss them with the officials of treasury board in the fall.

As you can appreciate, preparation of budgets six to eight months in advance of the beginning of a fiscal year is not easy. And it is further complicated by the fact that on the television side the business is essentially seasonal, that is, programming is comparatively light during the six months following April 1, before the winter schedules begin around October 1. This means that in spreading our available funds throughout the year, we must be very careful to see that we have an adequate carry-over into the winter months. We would have liked to see our fiscal year altered to run from, say July 1, or October 1, which is the way an ordinary corporation would meet this problem. However, this is impractical so long as we are required to conform to the treasury board schedule I have referred to.

Our evaluating and costing of the operational planning, which is the backbone of our budgets is done in an orthodox manner in consultation with the operating people at all levels in the regions following which the planning is evaluated and costed and the finished figures submitted to our budget committee at head office, then to management, and to the finance committee of the board of directors for ultimate approval. As you will appreciate from your knowledge of our affairs, we are required on the operations side to estimate our gross expenditures in both services which we do by departments and objects of expense based on our program planning, then to estimate the commercial revenue we expect to earn. This latter is an extremely difficult thing to do just at this time because we do not know what impact private stations competition is likely to have on our revenue in the future from commercial operations.

Having carried forward our evaluating and costing over the year ahead, we then determine our immediate monetary availability ahead over quarterly intervals by costing up our product, i.e., our program schedule by application of our standard costs. This procedure serves as a cross-check on our apportionment of the year's budget and as such is of importance to us because of the sudden shifts which are likely to occur on very short notice in our program schedule. Unlike a manufacturing company which if its sales are falling can keep the goods on the shelf and sell them next week or next month, we cannot do this. Our commodity is time and this does not keep. If we have to cancel a sponsored program and replace it with a national service one to cover, let us say, a Springhill disaster, or something of that kind, then we not only lose the entire revenue involved from the sponsor, including our package price and time charges, but we have to turn around and pay the full cost of its replacement without any revenue recovery at all. The impact of shifts like this can have a most devastating effect on a carefully planned budget.

The corporation's record in living within its operating budgets has been a particularly impressive one over the years and this will embrace the results

for the year ended March 31, 1959. On the capital expenditure side the results have been even more impressive in that the corporation has not actually expended more than 73 per cent of its annual budget in any of the past four fiscal years. As I have already stated, the unexpended portion of these grants whether relating to capital or operations are refunded to the receiver general following certification of our annual accounts by the Auditor General of Canada.

Mr. Chairman, I have endeavoured to outline the major aspect of these things which are my responsibility in the corporation. If there are any questions I should be pleased to do my best to answer them.

Mr. SMITH (*Calgary South*): Mr. Chairman, are we going to be able to obtain transcripts of these statements or any other statements that we are likely to have, in advance of their presentation? It is very difficult to follow something as lengthy as that without having it in advance.

The CHAIRMAN: I think this is about the last of the statements and if we feel it is advisable after this to have statements from the C.B.C.—I think we can arrange for sufficient copies for the committee.

Mr. BUSHNELL: May I say, Mr. Chairman, that we had no prior information as to what procedure you would wish to follow. Probably we assumed that you might wish to go into the program field next; and I must say that it was only after your sub-committee met on Tuesday, that we were aware of the fact that the financial aspects of our work would be required for this morning. So this has been done, I must admit, rather hurriedly; and I apologize for not having copies of it.

The CHAIRMAN: I am sure the committee understands.

Mr. FLYNN: Mr. Chairman, Mr. Bushnell mentioned that Mr. Henderson had been appointed to his present post prior to the report of the Fowler commission. Would you say that Mr. Henderson was appointed to follow the recommendations of this commission, since he occupies the position of chief financial officer?

Mr. BUSHNELL: I might say that while we have had as treasurers Mr. Bramah and his assistant Mr. Schnobb, the strain during the early months of television was rather heavy, and unfortunately both of these gentlemen had a setback in health. Not only for that reason but for others as well, we brought in Mr. Henderson who had a very fine record in business, accounting and what not, and who has been with some very large firms in Canada.

As a matter of fact we felt it was highly desirable to have someone of Mr. Henderson's stature to head up our whole financial department. The matter had been under consideration; but when the Fowler commission actually recommended it, we certainly went along with their recommendation.

Mr. FLYNN: So we can say that their recommendation had been followed in advance?

Mr. BUSHNELL: That is correct.

Mr. PICKERSGILL: Mr. Chairman, I have about half a dozen questions which are all connected. I think it would be more convenient if I should ask a question and it be answered at that time. The first question which I would like to put to the comptroller is this: when did the system of annual appropriations start? When did parliament start making annual appropriations for the C.B.C.?

Mr. HENDERSON: I would say that would be in 1957-58.

Mr. PICKERSGILL: And there has been one each year since?

Mr. HENDERSON: Yes.

Mr. PICKERSGILL: My second question is: Mr. Bushnell stated the other day at the bottom of pages 23 and 24 of his typescript, as follows:

The corporation has always followed the practice of submitting both a capital budget and an operating budget to treasury board for its next financial year.

I wonder if Mr. Bushnell was using "always" in the sense of from the beginning, or "always" from the time when annual appropriations became necessary, because I must confess I just frankly do not know. I have always assumed up to this time that the corporation, having its own revenues, would have no occasion to be going to treasury board.

Mr. BUSHNELL: I do not think that is entirely correct. I believe actually that while we did not necessarily have to have the full approval of treasury board, nevertheless such matters were discussed with treasury board from time to time. That is according to the best of my recollection.

Mr. PICKERSGILL: I wonder if for the next meeting Mr. Bushnell would get a little precision about it. I could imagine capital projects where you would need treasury board approval.

Mr. BUSHNELL: You are speaking of the operating side?

Mr. PICKERSGILL: You said here both capital budget and operating budget. It is the operating budget in particular with which I am concerned. Personally, I have no recollection of this before 1957 and I was a member of treasury board—I was an alternate—from 1953. I wonder if we could have that.

Mr. BUSHNELL: I will check on that.

Mr. PICKERSGILL: I could easily be wrong, but I would like to know. The next question I would like to put to the comptroller is this. I looked hastily through the act again and there is nothing in it that I am able to find that says anything about these annual appropriations. The act says the corporation must submit.

Mr. HENDERSON: An annual and operating budget.

Mr. PICKERSGILL: Yes, and it is presumed on the basis of those budgets the Minister of Finance will frame his estimates. I mean there is nothing in the Broadcasting Act that obliges the government to pay anything to the corporation. That is the way I read it; am I correct in that?

Mr. HENDERSON: I am not a lawyer, sir.

Mr. PICKERSGILL: Perhaps I could direct that question to Mr. Bushnell.

The CHAIRMAN: I think he is like you; he is not yet a lawyer either.

Mr. PICKERSGILL: Well, I wonder if the chairman would get for us an opinion on that point because I read the financial provisions over and there is nothing whatever to say that the corporation will get any revenue whatsoever.

Mr. BUSHNELL: I would take it if it does not state it most clearly that it is certainly implied.

Mr. PICKERSGILL: I think there would be no quarrel about the fact it was implied. It was discussed. I have the debates here. It was discussed during the debate last year.

Mr. BUSHNELL: I remember it very well.

Mr. PICKERSGILL: The point I am getting at is this. In the circumstances, how do you go about submitting. Perhaps I should put my question direct. Does the corporation draft the estimates for submission to treasury board or does it merely draft a budget and leave the drafting of the estimate to treasury board?

Mr. HENDERSON: The corporation costs up its operational plans as to what it wishes to do in the form of memoranda, with appropriate statements of discussion leading up to the final figure. They discuss with the officials of treasury board, which leads to a meeting of them, and following their approval or disapproval of those figures, the total finds its way into the official government estimates and is accepted or not accepted. In my experience, several have been accepted and find their way into the blue book total in February of each year.

Mr. PICKERSGILL: The point is this. Do you discuss the details of your operating expenditures? I do not mean day to day details, but the objects of your expenditures and the relative amount for the various objects with the officials of the treasury board.

Mr. BUSHNELL: Yes, in broad general terms, but in no detail.

Mr. PICKERSGILL: For example, they discuss with treasury board officials whether so much will be devoted to administration and so much devoted to programming? What is the nature of this discussion?

Mr. BUSHNELL: Well, the nature of the discussion is a very simple one. We ourselves more or less decide upon how much money should be put into the program section, and how much should be put in for administration, knowing very well we have to live within the total amount. We try to break it down. We go to the officials of treasury board and say: these are our recommendations.

Now, my experience with treasury board officials has been a short one. I am not making any apology, but actually in the past our president has done this, along with the comptroller, and it has only been my experience, to have to appear before treasury board officials on one or two occasions lately. I can only tell you the results obtained from my own experience. These matters certainly are discussed. I am not going to tell you for a minute that someone might not say: well, what about this item; do you think that is adequate or inadequate. We simply say: gentlemen, these are our recommendations. In that regard my only experience is that I cannot recall at any time when the officials of treasury board have said to us: look, we do not like this or that.

Mr. HENDERSON: If I may point out, sir, the C.B.C. is a proprietary corporation under schedule "D" of the Financial Administration Act. Section 80 of the act is specific in requiring our corporation annually to submit to the appropriate minister an operating budget for the following financial year for the corporation, for the approval of the appropriate minister and the Minister of Finance. We are functioning under that section, the same as all the other corporations listed.

Mr. BUSHNELL: Crown corporations.

Mr. PICKERSGILL: In other words, by submitting that budget, it is recognized that the officials of treasury board have a perfect right to criticize your budget and suggest there should be changes in it or, perhaps, that something should be eliminated? I think I should direct that question to Mr. Bushnell.

Mr. BUSHNELL: I think the officials have a perfect right to make any suggestion they are inclined to make.

The CHAIRMAN: That is with the original total budget?

Mr. BUSHNELL: Yes, with the original total budget.

The CHAIRMAN: If treasury board approves the total budget and breakdown, you could juggle that to a degree without going back to treasury board?

Mr. BUSHNELL: Yes.

Mr. PICKERSGILL: I have not the estimates here before me. Perhaps I should have looked at them. However, you have more assistants than I have. Is not the estimate a single figure? In other words, the corporation gets a global sum of money and can spend it any way it likes, notwithstanding the recommendations made by treasury board?

Mr. BUSHNELL: Not entirely.

Mr. PICKERSGILL: In what respect is that not correct?

Mr. BUSHNELL: In this respect: that we expect to give a reasonable breakdown within three or four objects, and that is all.

Mr. PICKERSGILL: Well, could you or perhaps the comptroller give us an indication of what that breakdown is?

Mr. HENDERSON: We submit our budgets to treasury board, with all the normal detail so as to permit an intelligent understanding of what we are doing, why we want the money and what it is going to cost. We submit it in accordance with what we might describe as our broad policy areas. We have the program area, the distribution and the administrative area. We set our figures up in such a way that it relates what we want to spend against what we spent last year. We set down our reasons and that forms the basis for our discussions with them. We have to set the figures up in some pattern of that type.

Mr. PICKERSGILL: The point I am getting at is that you set them up in that type in order to make as convincing a case as you can to treasury board, although you are not bound at all by those divisions within the item. If you find you are short in one respect and over in another, you can transfer them without reference to treasury board.

Mr. HENDERSON: If we do break it up into two or three captions, we would be expected to live within the total of those captions. If we have a large figure for programming we can switch that around as we see fit. We have to have that manoeuvrability for the reasons I have already given.

Mr. PICKERSGILL: In order to save time, could you read the headings which are in the estimates for 1959-60?

Mr. CHAMBERS: It is set out here in the blue book:

Grant in respect of the net operating requirements of the radio and television services ..... \$58,404,000

Grant for the capital requirements, including the replacement of existing capital assets, of the radio and television services .. \$9,197,000

The international short wave broadcasting service is broken down.

Mr. PICKERSGILL: That is a government service. I think I know the answer to that. If you get an item, as long as you spend within that item, you can spend it in any way you like, without any further reference to treasury board. In other words, it would then appear, although you make a guess to treasury board for the purpose of giving them illustrative figures to justify the global amount required, once they have that amount it is up to you to spend it to the best of your ability without any further reference to the board.

Mr. HENDERSON: Yes, unless we find we are going over or under and a revised estimate is called for. We may take one off in the course of the year to see how we are doing. We may be over in one and under in another.

Mr. PICKERSGILL: I have a couple more questions, particularly in connection with the control of expenditures, in which I am very interested. In connection with the control of expenditures, I think the comptroller said this was discussed with the chairman of the finance committee and the board

of directors. Is the control of expenditures discussed in any way with any civil servants, with anyone at all in the government service?

Mr. HENDERSON: The answer is this: I report both to the president and vice-president, who are members of the finance committee and to Mr. Dunsmore, who is the chairman.

Mr. PICKERSGILL: There is no review by treasury board?

Mr. HENDERSON: To my knowledge, none at all.

Mr. PICKERSGILL: I have one final question. When you go before treasury board, as you did last November—I think you said last November—to present your request for the new estimates for 1959-60, did you have any discussion with them? I do not mean the global amount, but about the details of the previous year's expenditures?

Mr. HENDERSON: We could only show an estimate of how the previous year's estimates were going to come out. The figures were not final at that time, and they are not today. However, they will be final in a week's time.

Mr. FLYNN: Could you give those general figures for 1958-59?

Mr. HENDERSON: I can only say they are within the amount that was voted for that year. We are pleased to report they will be within the grant and we shall be refunding money to the government.

Mr. SMITH (*Calgary South*): Is the information I requested at the last meeting available? I had asked for a breakdown in administrative costs as compared to operating costs.

Mr. BUSHNELL: No, Mr. Smith. That will take time and we hope to have that information for you shortly.

Mr. SMITH (*Calgary South*): I have a question concerning the projection of figures. In his statement Mr. Bushnell discussed the projection, which is not completed; and its implication on operating costs, as he says in his report, will be taken into consideration. I think anyone would be concerned about a deficit, but I am concerned with its relationship from one year to the next. Is there any projection made by you or the corporation as to where you expect to be in the next five, ten or perhaps more years in relation to this deficit?

My second question is this. I notice your finance committee recommends to the board proposed changes in your operation to meet the financial position of the corporation. Could you give me any indication of the projection of the deficit in round figures and any indication as to what recommendations have been made to improve the financial position of the corporation by the finance committee?

Mr. BUSHNELL: First, I think we should define the word "deficit". I take it you are speaking of the amounts that are voted by parliament; is that correct?

Mr. SMITH (*Calgary South*): Yes.

Mr. BUSHNELL: Not having any very large crystal ball, I would hesitate very much to project what these amounts might be in succeeding years because it is a very changing medium. There are many aspects that could change the amount we might require or that we might think we require. However, there is this one safeguard, if you like: you have heard this term "our five-year capital plan" used time after time, and we are in the midst of preparing it. Now then, when that is submitted, and if it is approved—obviously your operating requirements, the amount of money that you will require, are to some extent predicated upon the amount of capital you spend, because there is little point in getting a lot of money with which you cannot do anything in terms of studios, extension of coverage and that sort of thing.

I would hesitate very much even to suggest at this time what we feel our requirements will be certainly for more than the next five years, until this five-year capital plan has been looked into very carefully.

Mr. SMITH (*Calgary South*): Perhaps I had better ask you a direct question. Then, actually, to date you have made no estimate of what it might be?

Mr. BUSHNELL: None, other than the projection that we came up with for the Fowler commission, which may well have to be revised in the light of economic conditions and other matters.

Mr. SMITH (*Calgary South*): What about my second question. What recommendations have been made to the financial committee? Could the information as to how to improve the financial position of the corporation be tabled?

Mr. BUSHNELL: By that do you mean how to improve the financial position?

Mr. SMITH (*Calgary South*): I am quoting from your statement and, perhaps, not too accurately.

Mr. BUSHNELL: Where was that?

Mr. SMITH (*Calgary South*): On page 16. It is the responsibility and the function of the finance committee to:

Recommend to the board, or in an emergency to the executive committee, on proposed changes in any C.B.C. operation to improve the financial position of the corporation.

Have you received any recommendations in connection with any improvements?

Mr. BUSHNELL: May I answer your question, Mr. Smith, by saying that you must not overlook the fact—I hope you do not—that this new board of directors was created only on November 10 and had its first meeting on December 4. Despite all the expertness they may have—and we have some very fine persons on that finance committee, as I said before, headed by Mr. Dunsmore—they have not had a full opportunity of studying our operations and I think it would be pointless for them to make recommendations so early.

Mr. SMITH (*Calgary South*): I appreciate that; but may I suggest that perhaps it is conceivable the similar group which operated before may have made some recommendations. Have those been acted upon? I recognize you have improved your position from your commercial operations. You gave us the figures. I am wondering if there were any other recommendations presented to you?

Mr. BUSHNELL: Not as yet.

The CHAIRMAN: Perhaps we should ask Mr. Dunsmore when he thinks he may be able to make some recommendations, whether it will be in the next month, or year, or two years.

Mr. R. L. DUNSMORE (*Chairman of the Finance Committee*): Well, Mr. Chairman, I would like to repeat what Mr. Bushnell has said, that we require a background of the financial operations in the broadcasting field. We are like the man who was carving a piece of wood and someone asked him what he was carving. He said "a horse". The man asked him: "how do you do that if you have not a model?" He said "I cut away the things that do not look like a horse. He might have been guided by the adage that is connected with a certain part of the horse, and cut away that part—which would be a great mistake, as that part of the horse is very necessary to the horse". So we are still in the throes of trying to see all the parts that belong to this particular type of business.

The CHAIRMAN: Have you yet found a model?

Mr. DUNSMORE: Seriously, Mr. Henderson covered it by saying he is now in the position where he can make a comparison of this year's results with last year's; and on the basis of that it should be possible to come up with something constructive for the broadcasting financial structure within the next six months.

Mr. PICKERSGILL: May I ask a supplementary question and direct it to Mr. Bushnell. Is this horse on the payroll?

Mr. BUSHNELL: May I answer by saying maybe a part of it.

Mr. FISHER: Do I understand from what Mr. Henderson has read that for a number of years the C.B.C. has been well within its budget and has returned money to the government?

Mr. HENDERSON: Not every year; but it has lived within the funds that have been given to it. There might have been some extraordinary situation develop where they had to go back. I would have to check the record in that connection.

Mr. FISHER: You do not know how often in the last decade you have had to have extra or supplementary votes?

Mr. HENDERSON: Offhand, I cannot speak specifically, but it has operated within the last several years out of the money it has been given; and this year we will come out again.

Mr. FISHER: Well, this may be exemplary from an accountancy point of view, but might not this be an indication of over-caution? Also, where it is concerned with this, might it not also operate as sort of a brake in both programming and administrative expenditures?

Mr. BUSHNELL: No, I would not think so. In spite of the fact that it has been suggested that we are not very good businessmen at times, we are given a certain amount of money to spend in the first place. We may recommend we need so much money for the objectives for which we were created and progressively, I must admit quite frankly, year after year we have tried to build up the national system; and once that money has been voted we stay within those limits. Maybe our only fault has been that we have not asked for enough.

Mr. FISHER: What happens when you get a situation like, say this year, where you have rather extraordinary expenditures in connection with the royal visit? A huge block of money is probably going to go to broadcasting football games, for which you will have to take a large contract.

Mr. BUSHNELL: Do not make any predictions.

Mr. FISHER: When you have large block expenditures like those within a year, does that not bump down and, under your present system where you have the big general vote, lead to a sort of cutting in minor and fringe items?

Mr. BUSHNELL: That is not necessarily so. Let us take the royal visit. As a matter of fact, we had a fair indication that it was coming along and we made provision for it. In connection with football, no contract has been signed and there is a possibility it might not be, in spite of some of the statements that have been made in the press. But, within reasonable limits, provision is made in advance; and when these special events come along, the money is actually there to provide for them.

Mr. FISHER: I was looking at it in another way. You have no difficulty in taking care of exceptional program expenditures, and such things have no bad or poor effect upon your other operations.

Mr. BUSHNELL: Let me put it to you this way. We put a few dollars by in the sock in case something unexpected happens. If it happens, the money is there; if it does not, we are at liberty to spend it in other ways, or keep it as a surplus.

Mr. SMITH (*Calgary South*): How large is the sock?

Mr. BUSHNELL: It is not very big.

Mr. BELL (*Saint John-Albert*): How did the strike affect your revenues? I would not call that a special event.

Mr. BUSHNELL: I think Mr. Henderson has some figures in connection with that. However, Mr. Bell, I would prefer it if you would let us take that under consideration and report to you later.

Mr. BELL (*Saint John-Albert*): That will be all right.

Mr. FISHER: May I follow up, Mr. Chairman, on something that linked with something which Mr. Smith was asking. It is in connection with your capital budget. The Fowler commission recommended some kind of five-year plan. In so far as the act is concerned, your decision is that you will continue to go on a one-year basis, but within this one-year basis you would have to plan on the capital side of it for a longer period. When you have gone to treasury board with your capital budget is it correct that they have been quite willing to consider the fitting of the capital program for one year into a long range picture?

Mr. BUSHNELL: Mr. Henderson, would you comment on that.

Mr. HENDERSON: The act provides for a five-year forecast which, as you say, comes up this year. As I said, the first year will be specific; the remaining four years will be what we expect we are going to have to spend on capital account, and at the same time what the operational cost implication is going to be in connection with that planning. As I understand, they are not approving that, but it adds to the extension of our annual requirements. If we say we are embarking on this approach over the next five years and going to spend so much money during the first year, we will be given a tacit approval that we can spend the first instalment, knowing the four will follow.

Mr. FISHER: Suppose you were going to extend your television network to cover the hinterland, which holds the interest of quite a number of members; this would have to be done on a long-range forecast. If the forecast is being presented this year, it should give us an indication as to what the plans of the corporation will be in that particular regard.

Mr. HENDERSON: Yes, that is the purpose of it.

Mr. McCLEAVE: I have several questions in elaboration of a point which Mr. Henderson made, that in his opinion it would be preferable if the fiscal year were changed to a different period. First of all, I would appreciate it if he would pursue again the advantages of such a change. I think one suggestion was that it would start on July 1.

Mr. HENDERSON: As any accountant knows, it is one of the fundamentals to want to have your fiscal year coincide with your business year, particularly if your business is of a seasonal trend. It is beneficial to have the full impact of the season in the centre of it. In this way you are able to plan all your financial matters or accounting work in a more orderly fashion and it would be more logical, so far as our operations are concerned, if we were to have it run from July 1 or October 1.

However, by virtue of the requirements imposed on a proprietary corporation, a crown corporation, under the Financial Administration Act, it necessitates our doing our estimating eight months before the fiscal year starts. To make this change we would have to be eighteen months ahead. Because

July 1 would not tie in with November, we would get further than ever behind and that would make our forecasting even tougher than it is.

The CHAIRMAN: Have you made representations to Treasury Board to change it this year?

Mr. HENDERSON: We have discussed it with them, Mr. Chairman, and we fully appreciate their problem. Accordingly, we have adapted ourselves to it, and we are operating, I would say, reasonably satisfactorily under the established pattern.

Mr. McCLEAVE: You do say if you were to change it it would be of no advantage to you at all, do you agree?

Mr. HENDERSON: Yes, it would be six of one and half a dozen of the other, in a situation of this kind.

Mr. CHAMBERS: In view of this five-year capital program which is to be presented shortly, has there been a sort of hold-back on capital expenditures until that long-range program is brought down?

Mr. BUSHNELL: No.

Mr. CHAMBERS: Then we should not expect any considerable increase in capital expenditures in the future, after this program comes down? It will be a continuing affair?

Mr. HENDERSON: Yes, very definitely.

The CHAIRMAN: Mr. McIntosh?

Mr. MCINTOSH: I have a supplementary question to Mr. McCleave's. I would like to ask the comptroller how he can estimate ahead of time if he has not got what the previous expenditure was?

Mr. HENDERSON: The expenditure in the previous period we have already budgeted for, and for each month. Under the system I have outlined, we are watching our performance. So we are able to make a pretty shrewd guess how we are going to come out, for comparative purposes.

Mr. MCINTOSH: You are forecasting your estimates for next year on your estimates of last year?

Mr. HENDERSON: That is the usual way to estimate what you are going to spend in the future, to look at what you have spent in the past.

Mr. MCINTOSH: You do not know what you spent in the past?

Mr. HENDERSON: We have a very close estimate of what we spend because we kicked off at the beginning of the year with an established budget. Each month we match what we have actually spent against what we estimated we would spend for that month. We know eleven months ahead what we are going to spend. Looking at our operation and discussing it with the operating people, we are able to work out a fairly correct estimate of what our final expenditures are going to be.

Around the end of December it is quite easy to say what we think we are going to wind up with on March 31.

Mr. MCINTOSH: If you find out that you have additional moneys you can appropriate that to some other expenditure not included in your original budget?

Mr. HENDERSON: We are able to do that provided we are within the limits of our total grant.

Mr. DUNSMORE: The corporation recently established a budget committee and this budget committee, along with its other duties, will sit down every three months and review the actual expenditure against the budgeted expenditure.

If such a thing as the Springhill disaster, or anything of that sort, injected itself into the operation and distorted our expenditures from what we had originally budgeted for, an adjustment is made at that time by the budget committee. From there on you adjust it yourself to meet the rest of the year within the framework of the budget.

The CHAIRMAN: Prior to the formation of this group of which you are speaking, how had you been on budgetary control—within a quarter of one per cent or something like that?

Mr. HENDERSON: Extremely close. I think Mr. Gilmore has the exact figure on that.

Mr. J. P. GILMORE (*Controller of Operation, Canadian Broadcasting Corporation*): For the current fiscal year, under one per cent so far as we are able to forecast at the moment on the operating side of the budget; and this operating side is tied in to the programming schedule, which is costed and compared, so that we can compare the actual budget as we go along through the year. This is estimated because the schedules change approximately in line with the quarterly period of the year.

Mr. FISHER: I am interested in the liaison that is established with the board of broadcast governors in so far as your budget requirements are concerned. While I see you shaking your head, Mr. Bushnell, I think the object and the purpose of the board of broadcast governors is to ensure the continued existence and efficient operation of the national broadcasting system. You are part of that system. Certainly, there are regulations and controls but, of course, they have not been exerted yet, but they could have an influence on your economy. How is that going to be worked out?

Mr. BUSHNELL: I must admit quite frankly, that is a matter which has not been worked out in any detail as yet, although we have had several meetings with the board of broadcast governors. We have told them as clearly as possible what we think our requirements are likely to be.

Actually, the board of broadcast governors has no control whatsoever over our expenditures. However, it is conceivable that the board of broadcast governors might, in its wisdom, make a decision which would have some effect on our expenditures.

Mr. FISHER: This was one of our fears.

Mr. BUSHNELL: All right; but, on the other hand, let me put it to you this way, that we are working very closely with the board of broadcast governors, and are keeping them informed as to the plans we have, so they will know what we have in mind and we will know what they have in mind. As a matter of fact, I think it will work out extremely well.

The CHAIRMAN: Mr. Smith?

Mr. SMITH (*Calgary South*): Mr. Chairman, it has been said, in looking at the income account of the corporation, that you do not clear the sizeable proportion of a commercial account from production charges that you actually should. This is a charge often levelled by your critics. It has been said in some instances there are programs from which you actually recover only 15 to 20 per cent of the production charges. There was a reference made to this in the recent commission.

I wonder if you could give an explanation as to whether there is authenticity to that statement?

Mr. BUSHNELL: Yes, there is some authenticity but certainly not 15 to 20 per cent, I can assure you of that. We have a very definite scale of charges, based on several factors. Actually, I think it would be more appropriate if we put them before you at some later date.

The CHAIRMAN: I was going to suggest, Mr. Bushnell and Mr. Smith, that if we hold that aspect until we discuss programming—which, I would imagine, will be immediately after we are through with the financial operations of the C.B.C.—and if it is suitable to the Committee we will allow that type of question to stand.

Mr. SMITH (*Calgary South*): Oh, fine. It is just that it is related to the cost of operation, and that is the reason why I introduced it at this stage.

Mr. BELL (*Saint John-Albert*): Mr. Chairman, I would like to ask a general question about the percentage of your expenditures that is related to salaries. How does that compare with other years of operation? Is there a trend, in any way, up or down, as a percentage of your expenditures; and how does it compare with other corporations—similar businesses—of course, always realizing that perhaps this is a special type of operation?

Mr. BUSHNELL: I should think, Mr. Bell, as in other businesses, there has been a natural increase; but percentage-wise the amount expended on salaries, to the best of my knowledge, is about the same for last year as it was in previous years.

Obviously, the economic situation, our agreements with unions, create a natural increase, but percentage-wise, of our total expenditure, I think this remains very much at approximately the same level.

Mr. BELL (*Saint John-Albert*): Then the increase in salaries is comparable, in a general way, with other types of business; but may I ask how does the percentage itself compare with other businesses, as far as expenditures, the total percentage of expenditure, is concerned?

Mr. BUSHNELL: Actually I think that would be very difficult to determine, because I could not tell you, let us say with regard to Imperial Oil or General Motors, what percentage of their expenditure would be on salaries.

Mr. BELL (*Saint John-Albert*): I am sure your accounting branch would have some knowledge of that, because it is very much an element of discussion at wage agreement meetings—what percentage salaries are of the total expenditure. There must be some knowledge, sir. Do you have any access to other expert management figures in this regard, or do you merely operate with your own accounts?

Mr. HENDERSON: I would say you have to view the picture of the corporation's growth, as I mentioned, from 1951 when television started, to the point where it has reached its present size. I think its salary and wage bill compares very favourably with other large corporations, bearing in mind it is very difficult to make those comparisons and also bearing in mind the fact the C.B.C. is alone in Canada without having the benefit of any companion businesses with which you could compare it.

Within the corporation 74 per cent of the employees are unionized and, therefore, operate pursuant to union agreements. The remaining 26 per cent are management and supervisory personnel who are not members of unions.

I would say, Mr. Chairman, that the percentage of the expenditure on salaries and wages has not changed radically for the last three years, in proportion.

The CHAIRMAN: Perhaps you could check that before the next meeting?

Mr. BELL (*Saint John-Albert*): What is that?

Mr. HENDERSON: I would have to check that.

Mr. BELL (*Saint John-Albert*): I would like to have that information.

Mr. HENDERSON: We will bring that before the committee in the form of a short table.

Mr. PRATT: I take it that salaries are kept distinct from your fees paid to performers?

Mr. HENDERSON: Yes.

Mr. BUSHNELL: That is quite correct.

Mr. FISHER: In most of the government departments which we have been analyzing in committee we meet the problem of wage and salary schedules being ineffective, at times, in competing with private industry. You do not have that problem in your particular organization, or do you?

I gather in many government departments that retaining staff is a continuing difficulty. Do you have this problem?

Mr. BUSHNELL: We certainly do have that problem, yes; there is no question about it.

Mr. FISHER: How have you met it?

Mr. BUSHNELL: Let me put it to you this way. We do not believe our salary ranges are in any sense abnormal, either high nor low. We compare with other public utilities and crown corporations.

Let me say this, that at one time—and particularly in the lower and medium brackets—we had a great deal of difficulty in retaining staff. That has been adjusted now, and it is adjusted in a number of ways.

Actually, the effect of union agreements has made it necessary for us to match the amount of take-home pay—if I might put it that way—given to our supervisory and confidential staff. I must also say that there are a great many people in the corporation who seem to be rather dedicated and they do not float around looking for other jobs too often, for which we are very grateful.

During the early stages of television and at the time when private stations were being established, we did lose a number of our experts, for one reason or another. Let me give you an example: here is a chap probably in the film department, who is the supervisor of that department. He is a specialist in that field. Then, a private station opens up and they want someone. This man is experienced in programming and has probably had some experience in engineering; and this private station actually wants to put him in a position of greater importance.

We lost a lot of our people that way, particularly in the engineering and technical field. We are still losing some.

Mr. FISHER: It is not a serious loss?

Mr. BUSHNELL: I would not say it was too serious.

Mr. FISHER: You do not have to plan to meet it with any special salary inducements?

Mr. BUSHNELL: No.

Mr. FISHER: Let us look at the position from another point of view. Your comptroller said there was nothing really comparable in Canada, on a large scale, which we will agree. However, taking private radio and television stations, what sort of comparison do you get between the wages paid by the C.B.C. and private stations? Have you made any studies of that, or have you any idea what the comparison is?

Mr. BUSHNELL: No, actually, we have not any access to the salaries they pay. The only way in which we could find out would be to ask various persons in the private stations. We have a fair idea. Let me put it to you this way: that salary scales, in private stations, vary very extensively.

The CHAIRMAN: I think we might conclude that by stating that if they did not pay comparable salaries they would continually lose personnel to private stations.

Mr. SMITH (*Calgary South*): It is an interesting figure and one which I would like to see at a future meeting. I would ask for certain financial breakdowns. I would like to receive the operating costs of one or two C.B.C. stations, both the number of personnel employed and the operating costs of these individual stations. I think that might make an interesting comparison.

The CHAIRMAN: I agree that would make quite an interesting study.

Mr. SMITH (*Calgary South*): That is, if it is obtainable.

Mr. HENDERSON: I would like to take that under advisement, because, as I stated in my remarks, we only introduced this breakdown by stations, by networks, in 1958. It has since been subjected to considerable refinement and it is only for the month of April, 1959 that we will have our first real one coming out. It is coming off the books at the moment but it caught up in the year's closing.

Mr. SMITH (*Calgary South*): Up to now you have had no indication of the actual costs of a particular operation?

Mr. HENDERSON: We have an indication, and I would be prepared to provide an approximation, if you would bear with us, on that basis.

Mr. SMITH (*Calgary South*): Thank you.

Mr. HENDERSON: We will provide that concurrently with the other material.

The CHAIRMAN: Mr. Pickersgill, if you will not be too long we will go ahead with your questions.

Mr. PICKERSGILL: I have a series of questions I would like to ask, and I doubt if I could complete all of them, but I could ask one or two.

I think the first question should be put to Mr. Bushnell, and that is: has the corporation set its own figures for the estimates since 1957? In other words, have the amounts which were asked for from the government been granted without any diminution?

Mr. BUSHNELL: Since 1957?

Mr. PICKERSGILL: The comptroller told us that is when the annual appropriation started. Before that you had your own revenue, over which the government had no control.

Mr. CHAMBERS: On a point of order, Mr. Chairman, are we not getting into the area of the treasury board, which is a confidential area?

Mr. PICKERSGILL: If Mr. Bushnell feels it is an improper question, I will not press him for an answer, though I would hope that Mr. Nowlan would then give us an answer.

It will be remembered this was probably the point on which we made the strongest objection to the present act, in opposition. We said the corporation was going to be under the thumb of the Minister of Finance, and I think the trend of the answers we received this morning made that abundantly clear. I would like to know whether there are any facts to support that, whether the corporation figures—when they are submitted for its requirements—were met without question by the Minister of Finance and treasury board; or whether they were reduced. That will prove whether or not our fears are right.

I do not want to involve Mr. Bushnell—this is a political question and I recognize that—and if Mr. Bushnell does not want to answer it—

Mr. BUSHNELL: I would prefer not to.

The CHAIRMAN: I think we will have to adjourn now, but before we do, I would like to welcome Mrs. Kate Aitken, who is sitting at the rear of the room as an observer.

We are going to have to accelerate this a little bit. Shall we meet this afternoon after orders of the day or tomorrow morning? May I ask for a show of hands on the matter?

Mr. PICKERSGILL: We simply cannot sit this afternoon. There is a very important debate going on in the House of Commons.

The CHAIRMAN: Gentlemen, I would just as soon meet tomorrow morning; and let us sit from 9:30 until 11:00. Is that agreeable to the committee?

Agreed.

The CHAIRMAN: We shall meet tomorrow morning.



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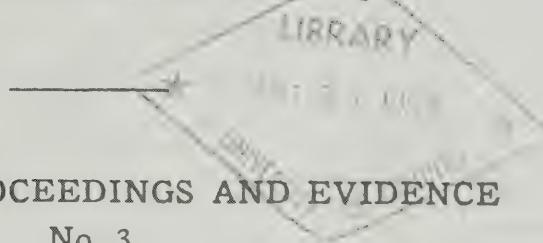
HOUSE OF COMMONS  
Second Session—Twenty-fourth Parliament  
1959

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Publications

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*



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**MINUTES OF PROCEEDINGS AND EVIDENCE**  
No. 3

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FRIDAY, MAY 15, 1959

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CANADIAN BROADCASTING CORPORATION

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WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;  
and A. M. Henderson, Comptroller.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

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HOUSE OF COMMONS  
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Second Session—Twenty-fourth Parliament  
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MINUTES OF PROCEEDINGS AND EVIDENCE

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OTTAWA, 1959

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SPECIAL COMMITTEE ON BROADCASTING

*Chairman: G. E. Halpenny, Esq.*

*Vice-Chairman: J. Flynn, Esq.*

and Messrs.

Miss Aitken,	Fortin,	Nowlan,
R. A. Bell ( <i>Carleton</i> ),	Horner ( <i>Jasper-Edson</i> ),	Pickersgill,
Tom Bell ( <i>Saint John-Albert</i> ),	Jung,	Pratt,
Brassard ( <i>Lapointe</i> ),	Kucherepa,	Richard ( <i>Ottawa East</i> ),
Campeau,	Lambert,	Robichaud,
Chambers,	Macquarrie,	Rouleau,
Chown,	Mitchell,	Simpson,
Dorion,	Morris,	Smith ( <i>Calgary South</i> ),
Fairfield,	McCleave,	Smith ( <i>Simcoe North</i> ),
Fisher,	McGrath,	Tremblay.
Forgie,	McIntosh,	
	McQuillan,	

*J. E. O'Connor,  
Clerk of the Committee.*

MINUTES OF PROCEEDINGS

FRIDAY, May 15, 1959.

The Special Committee on Broadcasting met at 9.30 a.m. this day. The Chairman, Mr. Halpenny, presided.

*Members present: Messrs. Fairfield, Fisher, Flynn, Forgie, Fortin, Halpenny, Horner (Jasper-Edson), Jung, Macquarrie, McCleave, McIntosh, McQuillan, Pickersgill, Pratt, Richard (Ottawa East), Robichaud, Simpson, Smith (Calgary South), and Tremblay—(19).*

*In attendance: Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; A. M. Henderson, Comptroller; Barry Mac-Donald, Secretary, Board of Directors, J. A. Halbert, Assistant Secretary, Board of Directors; J. P. Gilmore, Controller of Operations; R. C. Fraser, Director, Public Relations; V. F. Davies, Director of Accounting Services; J. Pelland, General Accountant; and A. Watkiss, Senior Accountant.*

The Chairman observed the presence of quorum and Mr. Bushnell asked permission to elaborate on certain statements and answer questions which arose at the last meeting of the Committee.

Agreed,—To print as an appendix to the record of today's proceedings a table detailing expenditures of the Corporation for the year ended March 31, 1958. (See Appendix "A")

Messrs. Bushnell and Henderson were further questioned concerning the finances of the Corporation and asked to prepare certain data for the Committee's next meeting.

Questions relating to production costs, sponsoring and other forms of recovery were asked and in view of the reluctance of the witnesses to produce figures, on the grounds that such information might prejudice the Corporation's competitive position, the entire problem was referred to the Sub-Committee on Agenda and Procedure.

A request that every effort be made to expedite the printing of the Committee's proceedings was accepted by the Chair.

Agreed,—That a Table entitled "Comparison of Gross Payroll to Total Expenditure" be printed as an appendix to today's proceedings. (See Appendix "B")

At 10.55 a.m. the Committee adjourned to meet again at 11.00 a.m. Tuesday, May the 19th.

J. E. O'Connor,  
Clerk of the Committee.



## EVIDENCE

FRIDAY, May 15, 1959.  
9.30 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. This morning we will start with a short statement from Mr. Bushnell which more or less will review one or two points of the last two days' meetings.

Mr. ERNEST BUSHNELL (*Acting President, Canadian Broadcasting Corporation*): Thank you, Mr. Chairman. After reviewing the notes we had taken of the proceedings, particularly yesterday's meeting, I thought it might be useful to comment on one or two matters that may not have been too clearly dealt with.

First of all, I should like to say a word or two on the question of future planning. I think it was Mr. Art. Smith who brought this up. As has been mentioned so many times, the corporation is engaged in providing a five-year forecast in accordance with the requirement contained in section 35 (2) of the Broadcasting Act. I would like to emphasize that the work now being done on this forecast is simply a matter of bringing up to date, in terms of today's economic and technological conditions and in the light of the knowledge of three more years of the development of the national service, the work we did in presenting a similar forecast for the Fowler commission.

I would further emphasize that our operations today, for the past two years and for the coming year ahead, are based on the forecasts that we prepared at that time, and are related very closely to them. I am sure you understand and appreciate that long before there was any necessity to do so because of a statutory requirement, it is, and always has been, our practice to plan well ahead.

Mr. Smith asked how far we attempted to project our thinking in terms of the planning for the future—five, ten, or twenty years. The answer is a very simple one—just as far ahead as developments in a medium as fast-expanding as television can be foreseen.

I might give you an illustration. In the Fowler commission presentation we mentioned the possibility of video tape. Since then there has been a rapid development in video tape; and while we made some forecast as to our possible requirements or potential, we are now faced with something new technologically in the television business. I think it is safe to say that within the next twelve months we will have to provide at least twenty of these video tape recorders—and that would be a minimum—each of which costs approximately \$75,000. So, within a period of three short years, we are faced with an expenditure—if my calculations are correct—of about \$3 million, that was not too well foreseen. If you like, it was envisaged, but we did not know at what time it might be available. At the time of the Fowler commission these video tapes were in the experimental stage. I think this is as good an illustration as any to show you just how quickly this thing can change.

Mr. SMITH (*Calgary South*): Thank you, Mr. Chairman. My question is related to production, but it deals with the same subject. I understand and can appreciate the problems you have. Surely the use of video tape in itself represents substantial savings from a production operation point of view, does it not? Is it not true that the use of tape in the system could, to a very substantial degree, cut down your production charges to something less than one-half in some instances?

Mr. BUSHNELL: That, Mr. Smith, is something on which I could not give you a positive answer. On the other hand, you know we have a delay centre at Calgary; and while it is not cutting down our costs, it is improving our service very much, because of the time zones we have. If we did not have that delay centre in Calgary, people in Alberta and on the west coast would be getting television programs at very inappropriate hours.

Now, you ask about cutting down production costs. That is problematical for this reason; we are not yet sure what attitude the various performers, artists and whatnot will take toward it. Neither are we sure as to what the position of the technicians will be. As you know, at the moment there is a big controversy going on in the United States as to union jurisdiction over the use of video tape. In that respect we may have some difficulty in the future. I think it is a little too early to say.

Mr. SMITH (*Calgary South*): From a technological standpoint it is true that the use of tape will unquestionably facilitate more flexibility in your operations, and cut costs, provided you can work out a basis with your union agreement.

Mr. PRATT: Do you suggest, Mr. Bushnell, that there is more objection on the part of the artists and technicians to the use of video tape than to the kinescope?

Mr. BUSHNELL: Yes, I think so.

Mr. SMITH (*Calgary South*): Have you an answer to my question?

Mr. BUSHNELL: All things being equal the answer is yes.

Mr. PRATT: Why would that be?

Mr. BUSHNELL: Because video tape is so much better than kinescope. May I say this—

Mr. PRATT: They object on the grounds that the quality is better?

Mr. BUSHNELL: No, not that; but actually the use of kinescope was the only way in the beginning by which we could get proper distribution. With video tape, the thing is practically permanently recorded and it can be distributed all over.

Mr. PRATT: So can kinescope.

Mr. BUSHNELL: Yes, but, as a matter of fact, there were not too many people who had the ancillary equipment to use kinescope.

The CHAIRMAN: Gentlemen, I am afraid we are getting too far away from finances and getting into the field of production, which will be our next item. Mr. Bushnell, will you please continue with your statement.

Mr. BUSHNELL: Now, turning to the matter of the presentation of our estimates to treasury board. We had considerable discussion on this yesterday and I would like to come back to it by saying that, once the corporation has prepared its budget estimates for a given year, they are carefully discussed with officials of treasury board. Since, as has been mentioned, we are a crown corporation under schedule D of the Financial Administration Act, as such, using the public funds of Canada, we must demonstrate to the appropriate department of the government our needs for these funds and the manner in which we intend to spend them. We welcome the opportunity to discuss the details of what we are planning to do and to justify any increases over a previous year's spending to these officials, so that they may be fully informed prior to our estimates being presented to parliament.

Turning to a question of yesterday, I believe it was asked by Mr. Fisher, who wished to know whether or not the corporation had found it necessary at any time during the last ten years to go back to parliament to have supplementary estimates approved for its operational needs. The answer is that

the corporation has never applied for supplementary estimates, although supplementary estimates were voted in 1956-57 when our main estimates were delayed due to the work being done for the Fowler commission, and again in 1957-58 when our estimates which had been supplied by governor general's warrant were confirmed by supplementary vote.

I think it was Mr. Bell who asked the question yesterday as to what effect the labour dispute in Montreal had on our revenue and expenditures. While the full financial implications of this dispute are not yet available, preliminary indications are that, generally speaking, what we lost in revenue we made up in savings on expenditures. Obviously we lost considerable revenue by virtue of cancellation of some television productions and, correspondingly, we saved considerable on the expenditures which were not made on these cancelled programs.

Mr. Chairman, might I file with you another statement that was asked for by Mr. Arthur Smith? The statement is the income and expenses, a comparison of them, for the year ended March 31, 1958. I believe those are available, or have they been distributed?

The CHAIRMAN: They are being distributed.

Gentlemen, do we have an agreement to print this report as an appendix in the record of these proceedings?

Agreed.

(See Appendix A).

Mr. BUSHNELL: I would like to clarify that statement. This is the comparison you asked for between the program costs and operating costs.

The CHAIRMAN: Mr. Pickersgill, please?

Mr. PICKERSGILL: The first question I would like to put to Mr. Bushnell was, in part, anticipated by his statement. He told us, if I understood him correctly, that as far as future planning was concerned, what the corporation had been doing in the last year or so and particularly recently, was to bring up to date those forecasts which were made by the C.B.C. at the Fowler commission.

The first question I would like to put is this: is it possible to make a forecast of capital expenditure for this five-year budget in any realistic fashion at all without at least making concurrently, if not in advance of that, a forecast of operating expense?

Mr. BUSHNELL: Probably I did not make that too clear when I spoke about it before.

Actually, I think I said that operational expense to some extent depended and was predicated upon the amount of capital available for the construction of studios, the purchase of new equipment, and that sort of thing.

Mr. PICKERSGILL: It seems to me—and I put it in the way of a statement because it is easier to contradict it than when framed as a question. It seems to me that in determining a capital budget you would have to have first some idea of whether you were going to be able to use the capital you were going to acquire.

That would be predicated upon a certain conception in advance of what you would be able to get for operating expense, and I think you made that pretty clear.

I see Mr. Smith looking at the original statement; and that is the impression I got from your original statement to us. Is that correct?

Mr. BUSHNELL: Yes, I think that is substantially correct.

Mr. PICKERSGILL: There should be available at the time—whether it would be available to the committee or the public, is another matter—but in the

corporation next November, when you have your five-year capital budget, there should also be available a five-year projection of your operations.

Mr. A. M. HENDERSON (*Comptroller, Canadian Broadcasting Corporation*): There will be. We are required under the act to file along with the five-year capital budget, a statement showing the incidence of this, if you will, on the operating expense to us as a practical matter. That means a five-year forecast of operational expenses and operational costs, because of the impact of what we plan in the capital budget, exactly as you say. Operational-wise the two will travel along together.

Mr. PICKERSGILL: It seems to me, sir, that what was in the mind of the Fowler commission when they pointed out—and I am not going to take the time of the committee to read it, but it is pages 276 and 277—that what really could be, should be, and ought to be forecast was operating expense, and in view of the technological changes it was not very realistic to try and make these capital budgets five years ahead. The act is the exact antithesis of the recommendations of the Fowler commission, as we pointed out in the debate.

An Hon. MEMBER: In your interpretation.

Mr. PICKERSGILL: Facts are facts, whether I interpret them or somebody else does.

What I am trying to get at is this, in preparing a five-year operating budget—which the comptroller told us has to be done before you can prepare anything like a serious capital budget—what, do you start on as your base?

The Fowler commission, in its recommendation, said there should be a fixed sum for six years ahead, so the C.B.C. would know what it was doing and have some terms of reference in the act. It has none.

All you know is, you can go and submit a budget to the Minister of Finance each year, and he may approve that or he may cut it down. There is no guide line at all, it seems to me.

How are you going to meet this problem?

Mr. BUSHNELL: Mr. Chairman and Mr. Pickersgill, we do not anticipate very much difficulty in meeting it. When we plan ahead we take this year's figure, with regard to the amount of money that we have spent. In our plans we expect to be able to say so much next year, and the year after. That is all laid out. So far we have not met with very much difficulty.

I am bound to admit that probably the other arrangement that was suggested by the Fowler commission might have been a better one.

Mr. PICKERSGILL: My views on that subject are well known.

Mr. SMITH (*Calgary South*): We are examining the witness' and not you.

Mr. PICKERSGILL: Quite, I quite agree; but what I am trying to find out is, in default of that objective standard, in default of something known over a period of years—which the Fowler commission pointed out in their view was essential to the independence of the corporation—have you from the government any assurance you can at least count for a number of years ahead on the amount you have this year?

Mr. BUSHNELL: I think that is a question you might well ask the government. I cannot tell you.

Mr. PICKERSGILL: I think so too.

Mr. PRATT: Mr. Chairman, Mr. Henderson has already pointed out that this is the fastest growing medium in the world, and it has changed so rapidly it would be very difficult to forecast the operating budget for that length of time; and, while the operating budget does bear some relation to the capital budget, nevertheless it is a varying relationship.

Mr. BUSHNELL: I think you are quite right. It is like any other business: you must start with your operating budget, but your capital budget in your books is an entirely different thing.

Mr. SMITH (*Calgary South*): May I ask, Mr. Chairman, of Mr. Bushnell if this point has been regarded as a serious one, and does it present any obstacles. Have you received any recommendations from your directors, or has there been any opposition of which you are aware?

Mr. BUSHNELL: None that I am aware of.

Mr. PICKERSGILL: I would like to go back to a question which I do not think was answered before. You have termed it your forward planning. Presumably, you are already thinking now of the budget you are going to submit. I am not talking about the five-year budget, but the operating and capital budget for the year 1960-61, which will have to be approved by treasury board some time in November. How do you go about preparing that? What do you start with as a base figure? Have you any assurance? We know we are going to have a colossal deficit. Are you going to have to bear part of that deficit?

Perhaps I could elaborate my point by saying that when Mr. Harris became minister of citizenship and immigration and took charge of the National Film Board—and that is a government agency—he said this. "You have so much money. I will tell you what I recommend"—and he carried this through for the period that he was in: when he became Minister of Finance, "I tell you this so you can do your forward planning," and I confirmed it when I succeeded Mr. Harris. "You will not get any more for your operating for the next five years, except to meet some unusual situation that cannot be foreseen now."

You can count—as far as we can possibly commit ourselves—on three or four years of planning to have a particular budget annually, but you are not to plan any more; you have to cut your quota according to your cloth. Have you any such indication from the present government?

Mr. BUSHNELL: No, I take it you are suggesting that Mr. Harris and probably yourself put a ceiling on the expenditures?

Mr. PICKERSGILL: No, we indicated that they should not fall below a certain floor.

The CHAIRMAN: Did you do that in writing?

Mr. PICKERSGILL: No, but it was stated in parliament.

Mr. SMITH (*Calgary South*): Perhaps I might read the section which has been referred to; it is section 35 subsection 2 of "an act respecting broadcasting", chapter 22, and it reads as follows:

(2) Within one year after the coming into force of this act and every fifth year thereafter the corporation shall submit to the minister and the Minister of Finance for submission to the governor in council a five-year capital program proposed by the corporation together with a forecast of the effect of the program on the corporation's operating requirements.

May I suggest that this provides exactly the stop-gap on one hand, yet it gives flexibility to the corporation to proceed in its operations over a foreseeable period which would satisfy the types of media with which you are dealing. Surely there is the fact that this leaves with the governor in council, which is in turn the people of Canada, the whole question of determining the final expenditures; and I think this is where it is properly placed.

Mr. PICKERSGILL: My question is still unanswered. I was not talking about a five-year budget at all. I was talking of an annual budget, and what

the guide-lines were; what assurance the corporation had that in 1960-61 it would get as much as it would get in 1959-60. I think Mr. Bushnell said that they had no assurance whatever.

Mr. BUSHNELL: We have no iron clad guarantee, but we have high hopes and every expectation of getting it.

Mr. PICKERSGILL: Mr. Harris and I gave an assurance, as far as any government could give it, because no government can give it; it has to be voted by parliament. This government is in a pretty good position to carry out an undertaking like that, yet you have no such assurance.

Mr. BUSHNELL: No.

Mr. PRATT: Mr. Pickersgill wanted to maintain a status quo.

Mr. PICKERSGILL: I wanted to maintain the independence of the C.B.C., and that is the corporation which is operating under the present statute. I am not blaming the officers at all; but under the statute the corporation is completely under the thumb of the treasury.

Mr. SMITH (*Calgary South*): That is absolutely wrong, Mr. Chairman.

Mr. SIMPSON: Mr. Chairman, this may not be the time to bring this question into the picture, but seeing that we are—

The CHAIRMAN: Is your question in any way related to the financial aspect, Mr. Simpson?

Mr. SIMPSON: My question is on the financial aspect because it has relationship to extended services. Seeing that we are on this five-year planning, concerning which the hon. member has said that he was only asking a question about this year's budget, I think it might be the time for us to have a look at information in relation to the ten per cent of the people who are not presently serviced by C.B.C. television.

The CHAIRMAN: Might I ask that you be good enough to hold that last question until we get into production and extension of services, and that type of thing?

Mr. SIMPSON: That will be quite all right, but I think it does tie in with this question.

The CHAIRMAN: I realize it ties in with the five-year capital budget, but we will be coming back to it.

Mr. FISHER: I do not want a qualitative answer, but I would like to ask Mr. Bushnell this question: despite the change, does he notice, as far as financing is concerned, any really revolutionary difference since the change of government?

Mr. BUSHNELL: No.

Mr. PICKERSGILL: My question is this: in the days when the C.B.C. had revenues which were not under the control of the government, that is, up until 1956 when it had the revenue from the excise tax, and under the Massey report, revenue which went directly to the C.B.C. and which it could spend as its board of governors determined, the corporation was really independent.

Now, as you have told us, it has to be discussed with treasury officials and tailored to some degree to their views and ultimately to the views of their minister. That is what I meant by saying that the corporation was under the thumb of the minister. As I was about to say, Mr. Pratt says this is a growing medium, and Mr. Simpson says there is a demand for services in the outlying regions. I quite agree with them. But what sort of policy do you have? How do you try to figure out how much more you are going to ask for each year?

Mr. BUSHNELL: That is very simple, as to how we figure it out. I do not want to go into a long statement at the moment, but as I have tried to indicate,

we have in mind definite plans for the next five years. In other words, we operate basically from the kind of service that we want to give to the public. That is number one.

It might include an extension of programming services, let us say, in the farm broadcast department, or it might mean an extension of services—and I am sure Mr. Jennings will touch on it—in school broadcasting. We have all these things in mind. They are all put down on paper right now, and they are planned for the future.

Mr. PICKERSGILL: When I planned my budget for the next year I had a fair idea—or at any rate an idea—of the maximum I was likely to get; and I knew that if I spent too much on one thing, I just would not have it to spend on something else. That is what the Fowler commission suggested should be the position of the corporation; but it is not so. You have no upper and no lower limits in the act. How do you decide what next to ask for? What is the degree of control upon you? You say that the government gives no indication one way or another. Do you know what you are likely to be able to get?

Mr. BUSHNELL: I do not think that we have ever known what we were likely to get, from the very beginning.

Mr. PICKERSGILL: You got \$1 million from the Massey commission.

Mr. BUSHNELL: All right. That was the only thing we were guaranteed, but we did not know what the revenue from the sale of receiving sets was going to be.

Mr. PICKERSGILL: Last year it was a good deal higher.

Mr. BUSHNELL: We were away out there, because the development of television was a great deal faster than we anticipated; so that for the first three or four years we had a surplus.

Mr. PRATT: Mr. Pickersgill seems to be trying to solve this problem by putting it on a five-year basis instead of on a one-year basis.

Mr. SMITH (*Calgary South*): Some of us seem to be making a lot of assertions, and I suppose one final one will not do any harm.

We have a situation, as we have it expressed here, with a medium which has to be treated flexibly from the production standpoint, and the question of maintaining costs within a certain normal period of time. This presents problems. We have section 35 which has been referred to, and which suggests that those costs be dealt with on a five-year basis.

Mr. PICKERSGILL: But only the capital costs.

Mr. SMITH (*Calgary South*): It is also related to operating expenditures. We too have read that section, and I would point out that where you have a growing deficit—I do not like the word deficit, but where you have an excess of expenditures over income—and it is becoming increasingly greater every year, it seems to me a very good safeguard to have some authority in government to determine, from one five-year period to the next, where the limitation on this expenditure is going to begin and end. I think that is exactly the reason why this was covered in the act.

Mr. HORNER (*Jasper-Edson*): Mr. Chairman, just to clear up the basis of this, I would like to ask Mr. Bushnell if, in his opinion, the C.B.C. since its inception has not had a close relationship to the treasury of Canada, in that they were making current loans even when the C.B.C. had their own revenue, and so on. I suggest they were always intimately connected with the government in power with regard to their financing.

Mr. BUSHNELL: So far as I know, that is the case.

Mr. HORNER (*Jasper-Edson*): Would you not say also that in the development of television you were again intimately connected with the government

in power at that time as to how much money you were going to spend on capital and the development of television at that time?

Mr. BUSHNELL: Yes, obviously.

Mr. FISHER: Mr. Chairman, I just want to ask a question for information, sort of ahead of the kind of question Mr. Simpson is going to ask. Could you have prepared for this committee your figures on what you estimate is the maximum cost, say per household, for both radio and television in so far as the extension of service to the hinterland area is concerned?

That seems to me to be very important in any discussion of the kind that is going to be brought up later. Would you have those figures—the way you were appraising this in the five-year forecast?

Mr. BUSHNELL: Are you asking if we have them, or whether we will have them?

Mr. FISHER: Whether they will be available.

Mr. BUSHNELL: Yes, indeed they will.

Mr. SIMPSON: Following along that line, possibly we could have charts and maps available for the unserviced areas in relation to the areas that are now serviced.

The CHAIRMAN: That would be quite a job, I suggest, because there are about 90 areas, are there not?

Mr. SIMPSON: Maybe we could have one or two big maps.

Mr. FISHER: I think it is an excellent idea, because I think a visual presentation of this hinterland problem to the members of this committee who do not have hinterland areas might be very educational.

Mr. BUSHNELL: It will take a little time to prepare something that actually would be of very great value, but we will certainly try. I am sorry that Mr. Richardson, our director of engineering, is not here today.

Mr. FISHER: That is another request I wish to make in this regard. Could we have Mr. Richardson here some day to explain the technical aspects of this extension of development?

Mr. BUSHNELL: Yes, by all means.

Mr. McQUILLAN: Mr. Chairman, I was also going to ask for a map. I have a feeling that perhaps the C.B.C.—especially the television service—does not cover as large an area as they think it does, or as they contend it does.

The CHAIRMAN: I think that Mr. Bushnell could possibly supply one large map, and we might visualize it on that.

Mr. MCINTOSH: In regard to the policy of the C.B.C. for these hinterlands, is it the policy to pass the servicing of these hinterlands to private stations to see if they can make it pay, and the C.B.C. to carry on in other areas where the private stations could not operate?

Mr. BUSHNELL: Yes.

Mr. PICKERSGILL: On that very point, Mr. Chairman, I was going to ask when they arrived at this capital budget. I am very much interested in the hinterland itself, because three-quarters of my constituency is not covered by the present television facilities.

Mr. SMITH (*Calgary South*): If it had been, you would have done much better.

Mr. PICKERSGILL: I would have got all the votes, instead of 75 per cent.

Mr. FISHER: That is a declaration of war.

Mr. PICKERSGILL: No, peace. To be serious, this point has puzzled me about—and this is partly as a result of an answer given to Mr. Fisher yesterday—the extension of services. All these capital expenditures connected with

the extension of services geographically obviously depend upon a decision that the C.B.C. cannot make; it is a decision that the board of broadcast governors is going to make, as to which of those areas will be served by private stations and which will be served by the C.B.C.

It seems to me that it is going to be quite unrealistic to produce any kind of five-year capital budget in this field. I am not talking, of course, about capital improvements in existing facilities that are not going to be changed, but in all this area in which the board of broadcast governors has made some fundamental decisions. I was wondering if there had been any discussion yet about the division of this field, about how much of it was going to be privately developed and how much of it was going to be publicly developed. Have the C.B.C. had any discussion with the board of broadcast governors on that?

Mr. BUSHNELL: Yes, we have.

Mr. PICKERSGILL: Do you feel that that will be pretty well settled before you produce your capital projection next November?

Mr. BUSHNELL: Certainly there will be a very large measure of understanding and agreement between our board of directors, management and the board of broadcast governors. There again, I think it would be very difficult to predict, or try to predict, just where applications for private stations are going to come from. But there is a very large area of flexibility in our capital budget. In other words, if we were planning on putting in a station—

Mr. FISHER: At Kapuskasing?

Mr. BUSHNELL: No, not at Kapuskasing.

Mr. PICKERSGILL: Grand Falls or Gander?

Mr. BUSHNELL: All right, Grand Falls or Gander, or my own home town of Omemee. I wanted to get that in.

Mr. McCLEAVE: Can you spell that, Mr. Bushnell?

Mr. BUSHNELL: Yes; O-m-e-m-e-e.

The CHAIRMAN: In the township of Ops.

Mr. BUSHNELL: That is correct. If we were planning on putting in a high power station, or a medium power station—I would not say a relay station, because if we are putting in a relay station, it would not be the right place for a commercial station: at least, we would not imagine it would be the right place for someone to spend half a million dollars in the installation of a private station—and someone else came along and said, "We will do it," we would say, "All right; let us have a look at it," and we would then be able to determine how much it would probably cost us to connect that station. There is a great deal of movability and flexibility there.

Mr. PICKERSGILL: In that context, Mr. Chairman, I would like to ask Mr. Bushnell this question: has the C.B.C. formulated any views on any place? Take Gander, Grand Falls, about which I have heard something: I understand that there is at least one private company that is interested in that area. I have also heard that there is a good deal of desire on the part of the community to have the C.B.C. go there.

Have you any views about places like that, where a private company is willing, where it is to the advantage of the national service, taken as a whole—

Mr. SMITH (*Calgary South*): Mr. Chairman, are we still on finance?

The CHAIRMAN: Could we please get back to finance?

Mr. PICKERSGILL: It is on finance; it is a question of whether it is private money or public money.

The CHAIRMAN: I realize all that; that is exactly the point I cut Mr. Simpson down on. We will come back to that.

Mr. FISHER: Leave it to another day, Mr. Chairman.

The CHAIRMAN: We will have to leave it to another day; it is a quarter after ten right now. Are there any other questions strictly related to finance? For example, I am not too happy about decentralization.

Have you found, Mr. Henderson, that your original decentralization of accountancy, for example, is in your estimation, paying off as it should; or do you think that you should discontinue the decentralized aspects of accountancy and get it all back in one area? Do you feel it is costing you more money, with your IBM equipment, and so on?

Mr. HENDERSON: With some reservations, sir, I think the decentralization—as I stated in my remarks yesterday—is paying off in the accounting field, because you always have to have your accounting right next to your operations. So long as our operations are divided up into regions, as they are, across 4,200 miles, I feel much happier having the accounting of the C.B.C. right next to them, where statements and accounts go out and come right back to the same place.

The CHAIRMAN: Then you are happy the way it is?

Mr. HENDERSON: Yes.

Mr. McINTOSH: Suppose the C.B.C. did start a station in one of these areas and there was an offer made by a private concern to purchase that station after it had been operating, what is the policy of the C.B.C. in that regard in respect of replenishing its capital?

Mr. BUSHNELL: That is something which has never come up so far. I would have to bring that up with my board of directors. I do not know what the policy would be.

Mr. SMITH (*Calgary South*): I think this question falls within the area of finance. You have spoken of the relatively small area of Canada which as yet has to receive television coverage. In projecting your program planning for some years ahead you will undoubtedly provide these facilities. This question of income and expense, however, may become higher; unquestionably it will, the forecast indicates that. Do you ever foresee the day when the C.B.C. will act as a producer of shows and then, in agreement with the private stations, turn over the assets of transmission to private industry and, under regulation of the B.B.G. act as a producer of shows and gradually leave the transmission business as such?

Mr. BUSHNELL: Are you asking me if I have ever foreseen that? Do I foresee that?

Mr. SMITH (*Calgary South*): Yes?

Mr. BUSHNELL: I do not.

Mr. SMITH (*Calgary South*): You intend to stay in the business competitively, without any exceptions whatsoever?

Mr. BUSHNELL: I do not think that is actually for us to determine. As far as the corporation is concerned, however, I have never heard it suggested that we should get out of the transmission field.

Mr. McCLEAVE: That view has been put forward before some royal commissions.

Mr. SMITH (*Calgary South*): The suggestion has been that you act as a producer of shows rather than as a competitor of private broadcasting.

Mr. FISHER: One of the outstanding features of the Fowler report was a clear indication that the revenues for private stations—this is in respect of radio but the indications are it would extend to television—were extremely

lucrative. I believe one of the suggestions here is that you are going out for more of that business, which would seem to be going into the area of the private stations. Can you go for more income from these sources without overlapping into the field of the private stations and their sources of income?

Mr. BUSHNELL: We are certainly going out after more business. We have been going out after more business since the Fowler report was tabled in parliament. I am speaking particularly of radio. Up until that time we were limited in what we could do because of the recommendations of the Massey commission. I think, however, it is safe to say that even with the extra effort we put into selling advertising on radio, as far as I am aware, we have not done very much harm to any private station. We have gone out and obtained new business. We actually have got clients to spend more money. We have not taken anything away from the private stations. Right from the very inception in television we have been most aggressive in selling. We intend to continue along that line.

Mr. FISHER: That is fine. I heartily approve. I wish to move a bit further. It has been your practice to supply both radio and television programs to private stations across the country which are on your networks. If those programs are commercial programs, they receive certain revenue.

Mr. BUSHNELL: Yes.

Mr. FISHER: And you provide to them free of charge the actual package. Is that right? I mean free of charge to the stations?

Mr. BUSHNELL: Yes.

Mr. FISHER: The problem on which I wish to touch is that the B.B.G. has power to enforce on the stations certain powers in so far as the amount of advertising they may use is concerned and the amount of local telecasting and broadcasting they will originate. To your knowledge did it ever come into the mind of the C.B.C., when they had the regulatory control, that they could bargain, with regard to the provision of these free services which they were supplying, in order to force these private stations to do either more local telecasting or to give up some return in respect of the spot advertising revenue they were picking up from your programs?

Mr. BUSHNELL: Mr. Fisher, if I may say so, I believe that question is one which I would like to have you ask the board of broadcast governors. I do not know what is in the minds of the board of broadcast governors at the moment.

Mr. FISHER: I suppose it is not fair to ask for a rehash of the past.

The CHAIRMAN: What would we attain if you did?

Mr. FISHER: I just want to know whether or not the idea ever was considered to be practicable?

The CHAIRMAN: In those days, Mr. Bushnell, was it not done to a degree?

Mr. BUSHNELL: I take it, Mr. Fisher, that you are saying because we provide, if you like, a package containing commercial programs and non-commercial programs that we should then seek some part of the revenue of the private stations in return for that sustaining service. Is that correct?

Mr. FISHER: Yes.

Mr. BUSHNELL: Then may I suggest to you that actually what is happening is that the private stations are carrying the non-commercial programs at no cost to us, other than the cost of distribution, and we feel that is a pretty good quid pro quo.

Mr. FISHER: That is what I wanted to find out.

Mr. McCLEAVE: I have some questions on the general theme in respect of the ability of the C.B.C. to raise money for its own operations. These

questions are concerned with the radio side. Would Mr. Bushnell acquaint us, in general, with how much revenue is being raised commercially by the C.B.C. in its radio operations? Would he also tell us whether the sales people whom the C.B.C. has are paid by commission or by salary?

Mr. BUSHNELL: I am not in a position to give you the exact figures in respect of part one of your question. I am, however, in a position to answer part two. All our sales people are paid by salary only, and not by commission.

Mr. McCLEAVE: Do you think there might be some virtue in examining the idea of putting them on commission?

Mr. BUSHNELL: It may well be. It has been considered from time to time

Mr. McCLEAVE: It could be tried even in one area as an experiment.

Mr. BUSHNELL: There is no question about it; it is worth considering.

Mr. SMITH (*Calgary South*): Yesterday when I asked Mr. Bushnell whether or not he was concerned over the fact that the corporation was not recovering the full percentage of the revenue in respect of commercially produced programs, he was kind enough to suggest he might provide us with an explanation of this situation. At least, that is what I understood.

I do not wish to ask you to provide us with a large amount of unnecessary statistics, but I imagine you would have readily available the costs, for instance, in respect of the General Motors theatre. I am thinking that often we hear of the tremendous cost of producing a television show. I would like you to give us some comparison between similar productions in Canada and the United States. I understand you actually import about 50 to 55 per cent of these productions. I think these cost figures would be interesting. Could you give us that comparison; would that be possible?

Mr. BUSHNELL: Mr. Smith, I think I went a little bit far yesterday in saying I would provide charts for you. On reflection, because of the highly competitive situation that we are in, I would prefer not to give you specific figures for any specific program. I think that would be unfair, and I think you would agree with me that it is; but I think that we can tell you in pretty clear terms just what the policy is and I would be prepared to do that—probably at our next session.

Mr. SMITH (*Calgary South*): Frankly, Mr. Bushnell, I am very concerned with the suggestion that you are recovering in some instances, as I have been told, only 20 per cent of a commercial production; and it seems to me when we are talking about revenue methods by which we can improve the financial position, this might be one method of doing it.

The CHAIRMAN: Would you be satisfied, Mr. Smith, if Mr. Bushnell gave us a cost breakdown of a typical one-hour television show? There are not too many of those.

Mr. FORTIN: That is the information the public wants to know.

Mr. SMITH (*Calgary South*): Could we have, say the cost of the General Motors show. I would like to know the costs which are charged to overhead and the general breakdown of the cost of operation. If you feel this is something which would interfere with your operations, I would not push my request.

Mr. PICKERSGILL: In connection with the point which Mr. Bushnell has raised, I think we should give very careful consideration to whether the C.B.C. should not be treated in the same way as the Canadian National Railways. I think if Mr. Bushnell would take five or six of these—whatever number he thinks—and average them, it would create sufficient anonymity and that would not be unreasonable; but to take any one is going quite clearly to create a problem. Now that the C.B.C. is expected to be in competition with private stations, who are not going to be asked for this information, I do not think it is fair to ask for those figures.

Some hon. MEMBERS: Why?

Mr. PICKERSGILL: For the same reason we did not ask the Canadian National Railways for it. Mr. Meighen laid down the rule, which everybody has accepted, that if the crown was going to be in these types of operations, this is the kind of information that is of value to the competitors, and it is not in the public interest to give it. I feel this is an important principle on which we should not push Mr. Bushnell.

The CHAIRMAN: I will hear a few more members on this matter.

Mr. PICKERSGILL: As a privilege to me, Mr. Chairman, could I—

The CHAIRMAN: Do you wish to complete your statement?

Mr. PICKERSGILL: I just wanted to say I have to leave the committee and there was one question I would like to put so I could have an answer at the next meeting. I was wondering if at the next meeting the comptroller could give us a detailed explanation of this new policy of separate accounting for the individual stations. I think that is a very progressive thing. This ought to give us a better control of expenditures and I would like to be told how it works.

Mr. McCLEAVE: I am in the same position, Mr. Chairman. I would appreciate it, if you could bring back at a later time the amount of commercial revenue obtained by the C.B.C. on its radio operations.

Mr. FLYNN: I would like to have the breakdown between radio and television for the last five years.

Mr. HENDERSON: The breakdown is available for the year ending March 31, 1958. It is set forth at page 30 in the annual report, which you have in front of you. There, you will see the commercial revenue derived from both services.

Mr. FLYNN: Is that the average for the last five years? I think you mentioned yesterday the figures for 1953.

Mr. HENDERSON: The figures for 1954 were in the table I gave, but there I had them grouped together. It would be a simple matter to provide you with a sheet of paper showing the figures for five years. I will prepare that information for the next meeting.

Mr. MCINTOSH: I would like Mr. Bushnell to qualify his statement that he did not think it would be fair, rather than have someone else in the committee qualify, as has been done.

The CHAIRMAN: I was going to suggest, gentlemen, that we consider that point at our subcommittee meeting, and I hope the members would be kind enough to be governed by the decision of the subcommittee. Will that be satisfactory?

Mr. SMITH (Calgary South): Yes. May I perhaps say, for the benefit of the committee, why I am interested in this material. As I said initially we heard references to the tremendous costs—and unquestionably they are—for producing these various shows. I am interested to know just how competitive the C.B.C. is and, keeping in mind the quality of the show we are getting, whether or not they are being produced having regard to the matter of costs. The only way to find that out is to have an example. Also, I feel, sir, that it would be interesting to have the percentage that is charged off to administration expenses, and any other such costs. That is my purpose.

Mr. BUSHNELL: So we will have the record clear, I should say that at this moment there is not any television show on which the corporation pays anything like 80 per cent of the cost. You mentioned the figure 20 per cent.

Mr. SMITH (Calgary South): That, Mr. Chairman, was in a completely different context. I am talking now in connection with the costs of the show. When mentioning 20 per cent as a figure, in connection with the recovery

of costs for producing a show commercially, I had in mind that often the C.B.C. did not obtain anything like the value for the show when they sold it; in fact, in some instances I think they obtained as little as 20 per cent.

Mr. BUSHNELL: That is not true.

Mr. SMITH (*Calgary South*): Will the percentage of what they may have recovered be made available to us in say half a dozen shows?

The CHAIRMAN: May I again suggest that all these requests be taken up with the steering committee.

Mr. FLYNN: Will it be possible then to have the production cost of sustaining programs?

Mr. BUSHNELL: I think we could give you a very good illustration of that, yes.

The CHAIRMAN: That is of TV, do you mean, or radio?

Mr. FLYNN: Television and radio.

Mr. BUSHNELL: Yes, we could give you a good cross-section.

The CHAIRMAN: Is there any particular show you have in mind which is not competitive?

Mr. FLYNN: I have several, but some of them, I understand, Mr. Chairman and Mr. Bushnell, are produced for a while on a non-commercial basis, and then later on they are sold.

Mr. BUSHNELL: That is right.

Mr. PRATT: Mr. Chairman, is there any particular reason there should be less secrecy about a sustaining show rather than a big star show?

Mr. BUSHNELL: Do you mean a commercial show?

Mr. PRATT: Yes.

Mr. BUSHNELL: I think there is and I do not want to prejudice the thinking of the committee, or your subcommittee, but the simple fact is we are in a highly competitive business. And right at this stage I am trying to make our reservation clear. Mr. Smith has mentioned General Motors, and would like to know what percentage of the cost of the General Motors Theatre, General Motors pays.

Mr. SMITH (*Calgary South*): That is just one of my questions.

Mr. PRATT: I would like to remind Mr. Bushnell that we are also in a rather competitive business.

Mr. SMITH (*Calgary South*): What is that?

Mr. PRATT: Members of parliament.

The CHAIRMAN: I think Mr. Smith is trying to find out, do the taxpayers of Canada subsidize advertisers such as General Motors of Canada?

Mr. SMITH (*Calgary South*): That is the point.

Mr. FLYNN: When Mr. Bushnell says they are in a highly competitive field, it seems a strange thing that most of the private TV stations seem to be operating with profits, whereas the C.B.C. is operating with a deficit of \$60 million a year.

Mr. PRATT: In fairness to the C.B.C.--

Mr. FLYNN: I mean, on a competitive basis.

Mr. PRATT: Would Mr. Bushnell think it feasible for private stations or private networks to maintain the standard of live productions and still be in the black?

Mr. BUSHNELL: No, definitely not; that is my personal belief.

The CHAIRMAN: Mr. Simpson, please?

Mr. SIMPSON: In relation to the cost of these programs, we are talking about—or Mr. Bushnell was talking about—being in a highly competitive business, that of producing these commercial programs.

In respect of programs, say, that are produced by the C.B.C. and are put on the air without any commercial backing behind them, what would be the reason for not being able to get the costs of those?

Mr. BUSHNELL: We could do that, Mr. Simpson.

Mr. SIMPSON: I mean, programs that did not have any commercial sponsor.

The CHAIRMAN: Have you any one particular program in mind, Mr. Simpson, that you would like to ask about?

Mr. FORGIE: "Front Page Challenge".

Mr. SIMPSON: No, I have not, but somebody suggested "Front Page Challenge" as one.

Mr. BUSHNELL: "Front Page Challenge" is sponsored, of course.

Mr. FISHER: What about "Folio"—sort of, the high and low of Folio?

The CHAIRMAN: That would be interesting.

Mr. HORNER (*Jasper-Edson*): With a comparable program that is on.

Mr. SMITH (*Calgary South*): May I ask a question in connection with auditors? I wonder if I might ask Mr. Bushnell who are the company auditors? Are they still P. S. Ross & Sons?

Mr. HENDERSON: No, the Auditor General of Canada.

Mr. SMITH (*Calgary South*): Do you have any private auditing at all?

Mr. HENDERSON: No, except the internal audit department of my own, which I mentioned yesterday.

Mr. SIMPSON: I think the question I am trying to get at is this. In relation to these C.B.C. shows, even the ones that are sponsored and have commercial revenue coming in, could we not get the cost of them to the C.B.C., even in some cases if we leave out how much the sponsor has to pay to produce those? I mean, the actual cost of production. Those would not be on a competitive basis?

Mr. BUSHNELL: Actually, I am not quibbling on this point. We could provide that, but it is very easy to identify particular programs with a sponsor; and I do not think I have yet made my point quite clear. I spoke of General Motors. Their program costs so much. It is an hour of drama. They have two or three competitors, and their programs cost so much.

I do not actually think that, from a straight business standpoint it is, if I might use the word, "ethical" to put on the public record, or to state publicly just how much each of those companies is paying the C.B.C. vis a vis the others.

Mr. SMITH (*Calgary South*): Would you agree to having these companies—not hypothetical ones, and not averages—but would you agree to giving five or six productions such as this, without naming the fact it was General Motors, or someone else, which actually sponsor them?

The CHAIRMAN: Productions A,B,C and D etc?

Mr. SMITH (*Calgary South*): Yes. Not hypothetical ones, but without actually giving their identity.

Mr. MCINTOSH: Mr. Chairman—

Mr. SMITH (*Calgary South*): May I have an answer to that question first?

The CHAIRMAN: Mr. Bushnell, would you like to answer Mr. Smith?

Mr. BUSHNELL: Mr. Smith, I still have some reservation about that because I do not think it would be very difficult for you astute gentlemen to identify productions A, B and C with a definite company.

Mr. PRATT: How about some company's show no longer on the air?

The CHAIRMAN: Just a moment, Mr. McIntosh. Do you want to answer that, Mr. Bushnell?

Mr. BUSHNELL: We have not lost too many advertisers, and I do not know whether we could.

Mr. PRATT: That is not what I hear in the business. The world is full of performers who no longer have a show on the air.

Mr. BUSHNELL: Let us not get into performers. You can ask Mr. Jennings about that.

The CHAIRMAN: Mr. McIntosh, and then Mr. Jung.

Mr. MCINTOSH: Surely, the public of Canada is entitled to know how much they are losing on certain shows. We are not interested in those who are paying their way, but if there are some shows losing, is the public not entitled to know how much they are losing?

Mr. BUSHNELL: We can provide very good illustrations. You have heard my reason, and I think it is a very good reason.

Mr. MCINTOSH: Your reason is all right for those paying their way.

The CHAIRMAN: Gentlemen, may we leave that aspect up to the subcommittee?

Mr. JUNG: My question has to do with a matter of interpretation. I am not quite sure what is meant when we say "competitive". Do you mean "competitive" among private firms wishing to put on a television program, coming to the C.B.C. and asking you to put on a show for them, in comparison with what private television stations could do for them?

Mr. BUSHNELL: No, I refer to "competitive" in the sense of being competitive, if you like, between motor car companies, or soap companies, but not as between the C.B.C. and private stations.

Mr. FORTIN: This question will be put to the subcommittee, but I want to make my position clear. I am not ready to accept the decision of the subcommittee because the point which we cannot get this morning is one which interests the people, and they want to know about it.

Mr. FISHER: What is it that the people want to know?

Mr. FORTIN: The people want to know how much a production costs.

Mr. RICHARD (*Ottawa East*): Not any particular production, but "a" production.

Mr. FORTIN: That is right.

Mr. SMITH (*Calgary South*): A minute ago I asked if P.S. Ross and Sons were the auditors, and you quite correctly said that they were not. They have done some internal examination of the financial operations of the corporation, have they not?

Mr. HENDERSON: They were employed as consultants to examine the accounting picture, to which I made reference yesterday; and they were employed prior to when the Fowler commission got under way. I believe they concluded their work in the Spring of 1958.

Mr. SMITH (*Calgary South*): What type of examination was this? What was its purpose?

Mr. HENDERSON: It was an examination of the practices and methods of the entire system. The subjects which were required to be taken up, as the chairman queried a little earlier, were the establishment of cost rates, criteria to be employed and rearrangement of staff. They worked very closely with us. Possibly they used the staff of the corporation. It was a standard type of approach as is usually employed in work of that type.

Mr. SMITH (*Calgary South*): Would this report or its conclusions be available to us?

Mr. HENDERSON: We have a copy of their report.

Mr. SMITH (*Calgary South*): Might I suggest that it would be of interest, and a form of document that the committee should have an opportunity to look at.

Mr. HENDERSON: The report is the one which they furnished to the corporation on the conclusion of their work. It is not detailed.

Mr. SMITH (*Calgary South*): It is not in any way restricted, Mr. Chairman?

The CHAIRMAN: No.

Mr. SMITH (*Calgary South*): May I ask if this was not the same firm which acted as the financial advisers to the commission?

Mr. HENDERSON: No, they were not. One of the partners, a Mr. Guy Hoult, was employed as financial adviser by Mr. Fowler and his associates; but not the P.S. Ross firm.

Mr. SMITH (*Calgary South*): Do you not think that it was an unusual situation to have them advising on a client?

Mr. HENDERSON: I was not here at the time and I am not familiar with the details.

Mr. BUSHNELL: As I recall it—and I would like this committee to remember one fact—at that time we had a chairman of the board of governors and we had a general manager. I was assistant general manager, and these were largely matters of policy. They were dealt with by the chairman. To the best of my memory we had engaged P. S. Ross and Sons to make an examination, if you like, of our whole financial structure. When the Fowler commission was appointed, as I recall it—and this may be pure hearsay, because I cannot recall attending any meeting when this was decided—Mr. Fowler came to Mr. Dunton and asked if the corporation would have any objection if Mr. Guy Hoult, who was a member of the P. S. Ross firm—and I think a very important one—was used by the Fowler commission.

Mr. SMITH (*Calgary South*): You were not concerned with the problem of the fact that an auditor would be reporting on his client?

Mr. BUSHNELL: No.

The CHAIRMAN: I think it is time we concluded this meeting.

Mr. HENDERSON: May I just table the figures which were asked for by Mr. Bell yesterday in respect to the percentage of our total salaries and wages as against our total expenditures. He asked for these figures and he asked for any possible criteria we might have against which they could be measured.

I have taken the fiscal years 1955-56, 1956-57, and 1957-58.

In the year 1955-56 our salaries and wages, out of our total expenditures were 37.34 per cent; in 1956-57 they were 37.01 per cent; and in 1957-58 they were 37.11 per cent. As you can see, they are all very close.

In respect to the request for any possible criteria against which to measure it, I have reference to the B.B.C. which in many respects is comparable to us in these matters, although they have a larger staff. After examining their accounts in 1956 and 1957 I found that their salaries and wages in relation to their total expenditures averaged in both those years slightly over 40 per cent.

The CHAIRMAN: Thank you very much.

Would you care to have figures printed as an appendix to to-day's proceedings?

Agreed.

(See appendix B)

Mr. SMITH (*Calgary South*): May I ask if the clerk of the committee would be good enough to check with the printing bureau to see if we could not obtain as fast as possible the evidence of these meetings? It would be a great advantage and would simplify matters if, for example, the statement which was read yesterday could be printed and placed in our hands promptly. I realize that they are busy, but if such a request is made and certainly with the great personality which the clerk of the committee evinces, he should be able to persuade them to do so.

The CHAIRMAN: Thank you. You are all acquainted with our plans. We have the C.B.C. as our witnesses now; then we are going to have the C.A.B., and then the B.B.G., following which we will recall the C.B.C.

May we leave the matter of finances as of now until we recall the C.B.C., and go on at our next meeting to the subject of production. That will be next Tuesday at 11 a.m.

Mr. PRATT: In regard to divulging competitive secrets of a commercial nature, I still think as the general public is expected to foot these bills, that the representatives of the public should have the facts, and I agree with Mr. Fortin.

The CHAIRMAN: Thank you for your opinion.

Mr. SIMPSON: In leaving the financial picture until probably the closing days of this committee, or until later, it would be interesting to know now—due to the answers we have had in relation to the cost of productions—if at the time they come back we will be able to get figures such as the amounts paid out for interviews, because I know this is something of tremendous public interest.

That is not the case in my area, because we have not got television yet; but everywhere I go people are asking, and they do spread some fantastic figures around as to what some of these employees are making. It would be interesting to find these things out.

Mr. FISHER: Do you mean employees, or some of the people who are hired for special projects and seem to be specially favoured?

Mr. SIMPSON: That is right; and a lot of them seem to appear on different programs.

Mr. SMITH (*Calgary South*): Mr. Chairman, may I suggest that you do as you indicated you were going to; that is, have the steering committee meet and then give your decision to the board and have that information filed with us for the next or following meeting?

The CHAIRMAN: Yes.

Mr. SMITH (*Calgary South*): If, at that time, the committee is still not satisfied, the matter can be brought up again.

Mr. SIMPSON: That is fine.

Mr. McCLEAVE: I have some information from Mr. Henderson, but I would like to get the question and answer on the record. It is very short. I intend to use it at a future time.

Could Mr. Henderson give the amount of money paid for any one year—say, the year ending March 31, 1958—to Broadcast Music Incorporated and other performing rights societies?

Mr. HENDERSON: In the year ending March 31, 1958, the corporation paid Broadcast Music Incorporated \$40,000, and during the same year the corporation paid the Canadian Association of Publishers, Authors and Composers \$273,000.

The CHAIRMAN: Thank you very much, sir. We will adjourn until 11.00 o'clock Tuesday morning.

CANADIAN BROADCASTING CORPORATION

(Appendix A).

EXPENSES AS PER STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED MARCH 31, 1958

Particulars	Programs	Engineering	Network Transmission	Administrative	Commercial	Information Services	TOTAL
<b>PROGRAMS</b>							
Performers fees, scripts, film rentals and performing rights.....	19,137,265						19,137,265
Salaries and wages.....	11,215,787	6,701,216					17,917,003
Premises.....		1,841,932					1,841,932
General production.....	2,565,851	1,122,098					3,687,949
							<b>\$ 42,584,149</b>
<b>DISTRIBUTION</b>							
Film distribution.....							494,581
Salaries and wages.....	494,581						494,581
Kinerecording and film distribution.....	1,647,804						1,647,804
Wirelines and Microwave.....			4,612,670				4,612,670
							<b>\$ 6,755,055</b>
<b>STAFF SERVICES, GENERAL ADMINISTRATION AND SUPERVISION</b>							
Salaries and wages.....	4,546,476	1,418,227		1,517,897	721,486	573,628	8,777,714
Premises.....	1,320,276	185,668		163,889			1,669,833
General Administrative.....	1,563,824	141,842		1,078,041	115,301	486,172	3,385,980
							<b>\$ 13,833,527</b>
<b>TOTAL</b> .....	<b>42,491,804</b>	<b>11,410,983</b>	<b>4,612,670</b>	<b>2,760,427</b>	<b>836,987</b>	<b>1,059,800</b>	<b>\$ 63,172,731</b>
Commissions to Advertising Agencies and U.S. Networks:—for agencies generally at 15% of station time and facilities revenue only.....							
—for U.S. Networks, generally 50% of station time revenue only.....							4,790,231
Payments to private stations: being their share of station time revenue.....							4,080,174
Interest on Loans by Government of Canada.....							922,806
Amortization of improvements to properties held under lease.....							284,040
							<b>\$ 73,258,972</b>

OTTAWA, MAY 15, 1959

## APPENDIX "B"

## CANADIAN BROADCASTING CORPORATION

## Comparison of Gross Payroll to Total Expenditure

Year	Total Expenditures	Salaries and Wages Included Therein	%
1955/56 .....	48,909,	18,263,	37.34
1956/57 .....	61,395,	22,725,	37.01
1957/58 .....	73,259,	27,189,	37.11

Ottawa, May 14, 1959.



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Publications

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

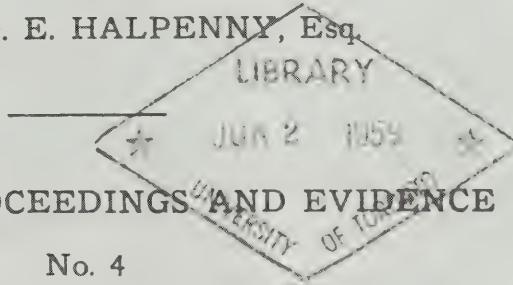
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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*

*MINUTES OF PROCEEDINGS AND EVIDENCE*  
No. 4



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TUESDAY, MAY 19, 1959

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CANADIAN BROADCASTING CORPORATION

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WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation; C. Jennings, Controller of Broadcasting; M. Ouimet, Deputy Controller of Broadcasting; and J. J. Trainor, Assistant to Director of Audience Research.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* G. E. Halpenny, Esq.

*Vice-Chairman:* J. Flynn, Esq.

and Messrs.

Miss Aitken,	Fortin,	Nowlan,
R. A. Bell ( <i>Carleton</i> ),	Horner ( <i>Jasper-Edson</i> ),	Pickersgill,
Tom Bell ( <i>Saint John-Albert</i> ),	Jung,	Pratt,
Brassard ( <i>Lapointe</i> ),	Kucherepa,	Richard ( <i>Ottawa East</i> ),
Campeau,	Lambert,	Robichaud,
Chambers,	Maequarrie,	Rouleau,
Chown,	Mitchell,	Simpson,
Dorion,	Morris,	Smith ( <i>Calgary South</i> ),
Fairfield,	McCleave,	Smith ( <i>Simcoe North</i> ),
Fisher,	McGrath,	Tremblay.
Forgie,	McIntosh,	
	McQuillan,	

J. E. O'Connor,  
*Clerk of the Committee.*

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## MINUTES OF PROCEEDINGS

TUESDAY, May 19, 1959

The Special Committee on Broadcasting met at 11.00 a.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Miss Aitken, Messrs. R. A. Bell (*Carleton*), Tom Bell (*Saint John-Albert*), Campeau, Chambers, Dorion, Fairfield, Flynn, Forgie, Fortin, Halpenny, Horner (*Jasper-Edson*), Kucherepa, Lambert, Macquarrie, Mitchell, Morris, McCleave, McIntosh, Pickersgill, Pratt, Richard (*Ottawa East*), Robichaud, Rouleau, Simpson, Smith (*Calgary South*), Smith (*Simeoe North*), and Tremblay—28.

In attendance: Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; Charles Jennings, Controller of Broadcasting; Marcel Ouimet, Deputy Controller of Broadcasting; Marcel Carter, Controller of Management, Planning and Development; J. P. Gilmore, Controller of Operations; R. C. Fraser, Director of Public Relations; Barry MacDonald, Secretary, Board of Directors; J. A. Halbert, Assistant Secretary, Board of Directors; R. E. Keddy, Director of Organization; J. J. Trainor, Assistant to Director of Audience Research.

The Chairman observed the presence of quorum and read to the Committee a letter sent to Mr. Bushnell on May 15th conveying the decision of the Sub-committee on Agenda and Procedure on the question of the production of figures relating to program costs.

Mr. Jennings was called and elaborated on the statement he made before the Committee on Tuesday, May 12th, concerning "National Program Service" and outlined in particular program policies and standards.

Arising out of series of questions asked at a previous meeting, Mr. Bushnell tabled the following charts and summaries, copies of which were distributed to the members of the Committee and ordered printed as an appendix to the record of today's Proceedings: (See Appendix "A")

1. Record Audience for Election Coverage 1958
2. Growth of Audiences—Canadian Produced Television Programs
3. Percentage of CBC Radio and Television Network Broadcasting—Sample Week Summer 1958
4. Percentage of CBC Radio and Television Network Broadcasting by Form of Communication—Sample Week Summer 1958

Mr. Trainor was questioned concerning audience size and audience reaction, sampling methods and analysis of audience trends done by the Corporation.

Mr. Jennings and Mr. Bushnell were further questioned concerning programming, and Mr. Ouimet gave information concerning news service, news commentary, and educational and school programs on the French language network.

*Agreed*,—That the arrangements be made in order that in future a French language reporter and translator be present at meetings of this Committee.

The questioning of Messrs. Bushnell and Jennings continuing, at 1.00 p.m. the Committee adjourned to meet again at 9.30 a.m. Thursday, May 21st, 1959.

J. E. O'Connor,  
*Clerk of the Committee.*

## EVIDENCE

TUESDAY, May 19, 1959  
11 a.m.

The CHAIRMAN: We have a quorum, gentlemen. You will recall that at our last meeting we decided that we would leave finance, because there were several reports that were requested, and go on to programming.

Following our meeting we had a subcommittee meeting, and the following letter was sent to Mr. Bushnell by the clerk of the committee, Mr. O'Connor:

OTTAWA, May 15, 1959

Dear Sir:

The chairman has instructed me to confirm that the following decision was taken at a meeting of the Sub-Committee on Agenda and Procedure of the Broadcasting Committee at its meeting this afternoon:

"Compile for presentation to the committee as soon as possible detailed production costs including administrative expenses for ten unspecified one-hour and half-hour 'A' time commercial television programs of a musical, dramatic or other nature, broadcast during the month of January, 1959, and relate total production cost to revenue recovered from sponsor in each case".

It is understood that such programs should be fair samples of day-to-day programming.

Yours sincerely,

J. E. O'Connor,  
Clerk of the Committee.

That was ten programs, made up of either half-hour or one-hour "A" time—that is, evening—commercial television programs of either a musical, dramatic or other nature. Mr. Bushnell, have you had time yet to prepare this?

Mr. E. L. BUSHNELL (Acting President, Canadian Broadcasting Corporation): I think we could, Mr. Chairman. We are in a position to give you that information today. Unfortunately, I was not able to get in touch with you, but I was going to suggest that the month of January was not, probably, the best month, because I would like to include in this report some of the commercial programs that are carried on the French network. Unfortunately, the month of January was not a typical month.

If you would prefer to have those figures, if you just leave it with me and have those figures changed for another month—let us say, November; I would hesitate to take December, either, because that is Christmas month—

The CHAIRMAN: Our reason for asking for the month of January was that we thought that was sufficiently in the past that you would have all your costs correlated. Perhaps you would like to let it go along as the subcommittee suggested, and then bring in the costs of two, three, four or five French shows at a later date.

Mr. BUSHNELL: That is quite all right.

The CHAIRMAN: Is that agreeable, gentlemen?

Mr. SMITH (Calgary South): I was going to suggest, Mr. Chairman—having asked for this information initially—that I believe it is pertinent to

have the French programs; but conceivably Mr. Bushnell could take as a selection, in addition to the ten we have asked for in January, a selection of a similar group for the last month that they were producing.

Mr. BUSHNELL: I think November would be a typical month: it is the beginning of the commercial season and we are well under way at that time.

Mr. SMITH (*Calgary South*): But I would prefer the committee make the selection of the month, rather than the C.B.C.

Mr. BUSHNELL: That is fine.

Mr. FORTIN: Am I right in understanding that these will be the only figures available to the committee?

The CHAIRMAN: If, after you have heard the evidence from the witnesses on this, you are not satisfied that that is what you want, you will so indicate, and you will get the information that you require. But I would suggest that we try to understand this: that information will be given to us without the names of the shows; they will be identified, I would imagine, as "A", "B", "C", "D", et cetera; is that right?

Mr. BUSHNELL: That is correct.

The CHAIRMAN: If this is satisfactory, we are satisfied; if not, so move.

Mr. SMITH (*Calgary South*): I also made that point to the steering committee, that this does not necessarily end the examination on the subject of costs; but it was felt we should first of all, make an assessment of the information we have acquired, and then decide what further information is necessary.

Mr. PRATT: I am a little puzzled as to exactly the reason for the great secrecy. It seems to me that where trade secrets are concerned, it is usually where there are questions of low-cost production, whereas we are dealing here with the secrets, more or less, of high-cost production. There is very little competition, I believe, from private stations on live television; is that right?

Mr. BUSHNELL: That is correct.

Mr. PRATT: Then where is the area of secrecy?

Mr. BUSHNELL: The area of secrecy, I think should be—if I may say so—reasonably plain. It is the secrecy between competitors in business, competitors in the motor car business, the soap business, the analgesic business—if you like—or any other business.

Mr. PRATT: That is what I thought: the competition is between commercial interests; the secrets are not the secrets of the C.B.C.?

Mr. BUSHNELL: No.

Mr. PRATT: It is the commercial secrets of competing firms that you are asking us to respect?

Mr. BUSHNELL: That is right.

Mr. FORTIN: Even if we do not have the price paid by the sponsor for a certain program, we would be interested to know—because I know that this is what people are interested in knowing—how much such a program costs. The idea of our asking this question is also to give a break to certain comedians, certain reporters, because the public hears that such a comedian gets \$50,000 a year. It is unbelievable. This special comedian needs to have his reputation watched. If it is true, people should know; if it is untrue, we must give this comedian—I will not mention the name—a break, and prove to the public that the figures they heard were just rumours, without any foundation whatsoever. That is the idea; it is not because we want to know what is going on, especially.

The CHAIRMAN: I realize that, Mr. Fortin.

Mr. PRATT: I think Mr. Fortin is using the word "comedian" in the French sense of "performer" or "actor"; am I right?

Mr. FORTIN: Yes, "performer".

The CHAIRMAN: I think Mr. Pratt is an expert on that.

Mr. SMITH (*Calgary South*): You were never paid that much, John.

Mr. FORTIN: I was not pointing to anyone.

The CHAIRMAN: Could we go along with the shows that we asked for and then, at the end of the questioning, if you are not satisfied with the information we have, the subcommittee will meet again and we will figure out exactly the type of information that you might require. Do you have those ten unspecified one-hour and half-hour production costs, Mr. Bushnell?

Mr. BUSHNELL: I am prepared, Mr. Chairman, to give a full statement on this now. I understood at the beginning that you would probably ask Mr. Jennings to start off. It is immaterial to me; I will do whatever you like.

The CHAIRMAN: If it is satisfactory to the committee, it is satisfactory to the chair. Is that agreed gentlemen?

Agreed.

The CHAIRMAN: Mr. Jennings, will you read your statement.

Mr. SMITH (*Calgary South*): May I suggest, Mr. Chairman—and I am sorry to interrupt—that it would perhaps serve a useful purpose if the information that we have asked for were to be filed with the proceedings of today's meeting, so that we would have an opportunity of examining and studying it. Is that possible?

Mr. BUSHNELL: I am afraid it is not. Mr. Gilmore, I believe, is preparing the statement for us, and I notice him shaking his head. Therefore, he has not got the whole statement in the manner in which he would like to have it presented.

Mr. SMITH (*Calgary South*): I understand then, Mr. Bushnell, that we are not only receiving a statement showing the relative costs, but we are also receiving a statement describing this, as a narrative of this information; is that correct?

Mr. BUSHNELL: That is correct. That will be ready by Thursday and will be presented at that time.

Mr. CHARLES JENNINGS (*Controller of Broadcasting, Canadian Broadcasting Corporation*): Mr. Chairman, at the first meeting of the committee a week ago today there was distributed a document which we called "The National Program Service", and I read to the committee the introduction to it which attempts to outline the objectives of the corporation. At that first meeting Mr. Pratt asked for clarification of the meanings of program policy and program standards as they appeared in the terms of reference of the program committee of the C.B.C. board of directors. At that time I gave him a very short definition, and today, if I may, I would like to start out by covering this ground of policies and standards in a rather wider way, inasmuch as they bear more strongly, I think, than any other factors on the output which we present. May I touch on policies first?

All our program policies are based on the primary conception of the C.B.C. as a public corporation, engaged in presenting a national service of radio and television broadcasting to the people of Canada. Here are the eight broad policies that spring from that conception, and I would like to comment on each of them as I go along.

First of all, significant tastes, interests and needs of the Canadian public should be served by C.B.C. programs. This policy, we think, is a natural expression of the fact that, as a public corporation, we are meant to serve all

Canadians. It also involves recognition of the fact that there is not one broadcasting audience, but many audiences, which have common tastes and interests and, at the same time, one individual with a variety of tastes might well be a member of several audiences.

What this means, of course, is that we try to set up a broadcasting schedule which contains a wide variety of subject matter. Naturally, in a mass medium such as television and radio, those interests which are common to the greatest number of people occupy a major place in the schedules, and that explains the predominance of entertainment programs generally.

Second, that comparable program service should be provided for the country's two main language groups. Our aim in this policy is to put out a comprehensive program service in both languages and, at the same time, to encourage as actively as possible, an interchange of ideas and programs between the two services to the advantage and, we hope, the enrichment of each.

Third, that broadcasting should acquaint Canadians with the history, traditions and culture of their country and should show people in one part how their fellow-Canadians in other parts live, work and play. We think of radio and television as instruments for national unity—of forces to increase understanding of our varied traditions and of our mutual problems. In a country where geography and economics are sometimes at variance with the development of nationhood, it is important to try to foster understanding and the vision of the unity that underlies our diversity.

Fourth, that the entertainment, artistic and cultural resources of Canada should be used to the fullest possible extent. In a sense, this is a two-sided policy. We try to exploit and develop Canadian talent as widely as possible; and, while we hope our audiences are being entertained by Canadian performers, we are at the same time fostering their development by giving them opportunity. And increased interest and support by the audience provides an opportunity for the growth of more talent which, in turn, will have a chance to perform. The mere fact that Canadian talent has a national platform upon which to perform, and that such performance receives financial and professional recognition, obviously encourages the development of talent and of artistic resources which might lie dormant without this incentive.

Fifth, that programs from other countries—which serve Canadian interests and needs—should be broadcast on the C.B.C. Because we live beside the United States, English-speaking Canadians, particularly, appreciate the value and interest of programs from outside the country. We try to find regular places in our schedule for programs from outside Canada. They give interest and variety, and the great American variety shows especially, are frequently on a scale which this country lacks the artistic or financial resources to produce here in comparable fashion.

Sixth, that such major institutions in our national life as the church and the school should be served with the assistance of advisory bodies representing those institutions. I think it is obvious that broadcasting should try to play as important a part as possible in both these fields, and we try to carry out our work here through national councils appointed for the purpose.

Seventh, that the area of news and public affairs, including political broadcasting, should be the subject of special safeguards designed to ensure that the public be as fully and fairly informed as possible. In news, in opinion broadcasting, and in political broadcasting the closest supervision is maintained always to ensure integrity and balance. Not only in the corporation's own internal rules and regulations, but in the corporation's white paper on Political and Controversial broadcasting have we tried to spell out the rules governing the application of these policies.

Eighth, that commercially sponsored programs should form part of the service. Commercial programs have been a feature of Canadian broadcasting from the very first. From the inception of the national service they have been recognized, not only as an important source of revenue, but many outstanding programs which Canadians wanted to hear were available on a commercial basis.

Mr. Chairman, having outlined those eight broad broadcasting policies, may I say a few words about standards? When I tried to give a brief definition to Mr. Pratt last week, I said policies were the things which guided us as to what to broadcast; standards were the things which guided us as to how to broadcast. Once you have decided upon doing something, immediately you are faced with the question of how you are going to do it; and in our case in broadcasting I think we can set out our standards under three main headings: artistic standards, standards of taste, and public affairs standards. I would like to say just a few words about each of these.

In the case of artistic standards, by their very nature they cannot be completely rigid: one man's meat may well be another man's poison. Subjective factors invariably play a part in them. But in matters such as speech, and in musical and dramatic performances, recognized and reasonably objective standards exist and can be applied. However, they will not be found written down in any handbook or manual.

In the C.B.C. we try to apply these standards by appointing people of proven ability so that they try to see that recognized standards—say, in the field of drama and music—are applied in the selection of singers, musicians, actors and other performers. We supplement these experts by using outside authorities as consultants and as adjudicators for auditions of talent.

Standards of taste and propriety apply to every area of broadcasting as they do to every area of life. There are accepted standards of good taste, good behaviour and good manners which come about through experience and common sense; and, while they may not be set down as a set of precise rules, a variety of directives issued from time to time as occasion arises exists.

When I mentioned policies in connection with news and opinion and political broadcasting, in a sense I touched on standards; but I would like briefly to amplify that now. These are standards of objectivity, balance and fairness which apply to news, controversial and public affairs programs; and these standards have been carefully developed to guide, not only C.B.C. staff, but outside and free-lance broadcasters on all such programs. These kinds of standards are easier to formulate than are artistic standards. Thus, talks and political broadcasting policy and standards generally are covered in our own internal rules and regulations, and by the white paper on political and controversial broadcasting. News, policy and style and taste are also dealt with, not only in the internal rules and regulations, but in such things as the radio-television style guide, the style guide for C.B.C. News Round-up and its French equivalent *La Revue de l'Actualité*.

The field of news commentary is governed by the same general standards that apply to the news itself. Our objectives are a full and fair analysis of news development, and an expression of all major shades of opinion about them. To achieve and maintain a balance in these programs, there is a continual and careful scrutiny within the corporation.

Those, Mr. Chairman, are the remarks I wanted to make about policies and standards and the approach which we make to these things in both English and French and in radio and television.

There is one final thing I would like to say. Mr. Smith asked, at the session a week ago, for copies of surveys which would indicate trends in programs where we seem to be reaching our objectives. We are giving the clerk a set of three, which have been selected from a fairly wide list. These are

actually summaries of surveys. While they are rather lengthy, the full surveys are available. These three cover a survey indicating how audiences for certain programs have increased over a period of time; and while, again, these have been singled out, others can easily be made available. They also show a survey undertaken to learn something about hockey audiences, and a survey which gives in two charts, one a rather broad, and the other a more detailed breakdown for both radio and television, indicating how we try to reach our objective of giving as wide a service as possible to listeners, with a wide range of different programs.

The CHAIRMAN: May we have the permission of this committee to have those printed as an appendix?

Agreed.

Mr. PRATT: May I refer to the top of page 27 in the report, and a statement made by myself which probably ranks as one of the greatest political statements ever made, because, having read it, I doubt if anyone could criticize me one way or the other. What I was referring to was the last paragraph in the opening of the report on the national program service, in which one of the policies is definitely stated as being to integrate, so far as is possible, our two main cultures, of helping the two historic elements of the Canadian people to better mutual understanding and sympathy, and of drawing on the traditions of both for its programs.

My reference, while it was not a criticism, was that this policy could probably have better been brought to fruition by having one production centre in a large city such as Montreal, for both languages, rather than separating them into French production in Montreal and English production in Toronto, in a country the size of Canada which could well afford two large production centres. I hope I have made myself clear this time.

Mr. SMITH (*Calgary South*): Mr. Chairman, I wonder if I may ask the witness if he would be kind enough to provide us with a survey. It is possible he may have misunderstood me; he said, "a survey where it seems we are accomplishing our objective". That was not quite the intention of my question. I am not—for the benefit of the question—particularly interested in whether you are accomplishing that or not. What I want to find out is whether you are accomplishing the objectives; I do not just want a survey of those objectives you feel you have accomplished.

The second question is: are these surveys as such conducted purely by a department of the C.B.C., or have you had any surveys which were completed by any independent group who might analyse the problem for you?

Mr. JENNINGS: Except for what you might call some small internal surveys that we set up for one thing and another, all our surveys are conducted for us by independent, outside agencies.

Mr. SMITH (*Calgary South*): I gather, then, that we could have this provided? If we selected an area you could provide a survey to determine whether the objectives which were outlined in your initial statement were being accomplished? For those we asked for, we could obtain an independent analysis of whether those objectives were being accomplished?

The reason I ask that is because—as the witness points out—of the difference in the standards of taste which are so wide, that this committee will never determine, of its own knowledge, whether a particular production is good or bad. It occurred to me that a survey of a particular area by an independent group would give some indication as to whether these objectives had been accomplished.

Mr. JENNINGS: I think that would be a fairly difficult kind of survey to undertake. The surveys we do undertake with the three main people with whom

we work cover quantitative assessments, from which our audience research bureau attempts to read interpretations.

Mr. SMITH (*Calgary South*): May I be more specific? Do you, through any of the independent organizations, or other means, survey an area such as the city of Regina, or the province of Saskatchewan, to determine whether the type of productions which is being put on the network system is being generally accepted by those areas?

Mr. JENNINGS: May I ask Mr. Trainor, of our audience research bureau, to answer that question? I think he can answer it much more expertly than I can.

Mr. J. TRAINOR (*Assistant to Director of Audience Research Bureau, Canadian Broadcasting Corporation*): We have our internal surveys, but our audience study surveys are done once a month by International Surveys Limited, Elliott-Haynes Limited, and now by Nielsen's in some areas. These just give audience size, not reactions. From these, month by month, we try to analyze trends to see what is—

The CHAIRMAN: Does that not actually give you a picture of audience trends?

Mr. TRAINOR: Yes, it should. For instance, page 2 shows the growth of the audience on some different programs in February of last year, compared with January, February, and March of this year. It shows that the program is being accepted—at least, we assume it is—because it is getting larger audiences.

Mr. SMITH (*Calgary South*): Regina, of course, is a poor instance.

Mr. PICKERSGILL: Why is Regina a poor instance?

Mr. SMITH (*Calgary South*): You will understand, if you permit me to continue the question. Regina, of course, is a poor instance because there is no other choice for the Regina people than the one television network. In a city such as Toronto, do you conduct a survey with respect to the C.B.C. productions to see what the reaction is?

Mr. TRAINOR: Not a survey concerning reactions; but we are proposing to do one now in Toronto to see just what people feel about our Toronto station as compared with American competition.

Mr. SMITH (*Calgary South*): As a summary to my question: there is no survey that would provide the information I have actually asked for?

The CHAIRMAN: Except a survey for trends, audience trends, which we can get several places—either Elliott Haynes, or B.B.M., or your own research report. Is it a Gallup type of job you do in your own research department?

Mr. TRAINOR: No, just a sample, and everything is checked by a commercial research house. We take the data and analyze it each month and compare it to previous months, thereby getting the trend.

Mr. SMITH (*Simcoe North*): Mr. Jennings, when he was making his statement, said the C.B.C. tried to serve programs suitable for each significant interest group within the country, and when you are broadcasting—this relates to what the other Mr. Smith said just now—in an area, for instance, where there are commercial television and commercial radio stations, do you take into consideration in your programming what interest groups are being served by the commercial stations in the same area?

Mr. Charles JENNINGS (*Controller of Broadcasting, Canadian Broadcasting Corporation*): No, I cannot say we do, Mr. Smith.

Mr. SMITH (*Simcoe North*): I was referring, for instance, to the amount of popular music that might be broadcast on your Toronto stations. Do you consider what service is being given by the private broadcasters?

Mr. JENNINGS: No, I cannot say we do. What we try to put out is what you might call a balanced service; and what I meant when I said that is that we try to serve different audiences—like farmers' audiences at noon, and children's audiences in the afternoon.

Mr. SMITH (*Simcoe North*): I realize that you generally take that into consideration. So, in one sense, you might be competing for the same type of program.

Mr. CHAMBERS: Mr. Jennings was speaking of balance, and he spoke, in his introduction the other day, of providing a service for those who perhaps were not in the majority in the matter of taste. This interests me a great deal, and I would like to know who figures out what is the balance. In other words, everyone is in agreement you should provide a certain amount of, let us say, lesser-known classical music; but who says how much?

Mr. JENNINGS: It is difficult to answer that question, Mr. Chambers. Any schedule for the moment is a sort of thing in being: a radio schedule is a thing in being; and our television schedule is a thing in being.

With our own planners we are in constant consultation and discussion with outside interests, through fan mail. In this kind of situation we discover whether a program seems to be successful, or we discover there may be needs and interests that should be filled. It is that sort of push-pull planning on a short range basis that goes on. I think it would be quite impossible to arrive at a schedule which was absolutely mathematically correct in the amount of each of its components.

Mr. CHAMBERS: I mean, is some estimate made through your research department, or through some other body, to establish the size of audience interest in each of these groups? For instance, it is a criticism heard that the C.B.C. itself has too much of what is described as lesser known works of little appreciated composers. Is this based on some knowledge on the part of the C.B.C., that there is an audience of a certain size for this type of music?

Mr. JENNINGS: Yes, it is. I do not know what you mean by little known works of little known composers. I do not think they occupy an enormous amount of time in our schedule. They occupy very little time, as a matter of fact.

Mr. HORNER (*Jasper-Edson*): Mr. Chairman, I was a little disappointed in Mr. Jennings' statement on policy, in that on page 3 of the statement he says:

In the final analysis, broadcasting produces nothing tangible, no "end product", only an impact on the minds of listeners or viewers.

Here I come to what I think is probably one of the most important considerations broadcasting, particularly television broadcasting, has in Canada today. That is the impact on the mind of the viewer, particularly with regard to mental health. He says they have an advisory council from the churches and other organizations. What I would like to know is, do not you think an advisory council on mental health is important? Do not you have an advisory council on mental health? For example, do they have any advice with regard to patent medicines advertising, that is becoming so fantastic on television these days—that is, with regard not only to the products they sell, but the method by which they are trying to sell them? I mean, this business of showing a pill going down somebody's insides, and so on. It is, on occasion, very wrong, as far as mental health is concerned.

Here we have a medium with which we can do a great deal of good, or with which we can do a great deal of harm. We have various—

The CHAIRMAN: What is your question, Mr. Horner, please?

Mr. HORNER (*Jasper-Edson*): I want to know whether or not they have any mental health adviser, with regard to C.B.C. television in particular.

Mr. JENNINGS: Yes, quite definitely. We have been doing broadcasting in mental health on the radio for ten or twelve years, and from the very beginning.

Mr. HORNER (*Jasper-Edson*): That is not my question.

Mr. JENNINGS: And the same thing on television.

Mr. HORNER (*Jasper-Edson*): I want to know whether you have any mental health advisory committee which advises you with regard to the impact of other programs on the mental health of people generally?

Mr. JENNINGS: No, we have not.

Mr. HORNER (*Jasper-Edson*): Do you not think that is an important factor?

Mr. McCLEAVE: That is left up to the producers, Mr. Chairman.

Mr. JENNINGS: As far as the second part of your question is concerned: all this kind of advertising of medical goods, and so on, is approved by the Department of National Health and Welfare, as to its factual accuracy and, indeed, now I would imagine that factor is very much the affair of the board of broadcasting governors.

Mr. PICKERSGILL: Mr. Chairman, to follow up that question, is it true that all the advertising, the scripts and so on, are looked at in advance? I think that is what you are trying to get at.

The CHAIRMAN: Do you mean the patent medicines?

Mr. PICKERSGILL: Yes.

Mr. JENNINGS: This copy comes to us with the approved stamp from the department on it.

Mr. PICKERSGILL: From the Department of National Health and Welfare?

Mr. JENNINGS: Yes. I do not know what the bureau is.

The CHAIRMAN: Canada is different, then, from the United States on that?

Mr. JENNINGS: I am not sure of the situation in the states: I do not know whether there is any control of this sort at all.

Mr. FAIRFIELD: Perhaps to establish and pin-point the independent surveys that are made, I wonder if we could have a breakdown of costs of the audience research bureau in the past year, to show payments to commercial firms outside the C.B.C. for independent surveys?

The CHAIRMAN: On the audience trend, or the complete survey which they might have taken?

Mr. FAIRFIELD: Any surveys they might have taken.

Mr. JENNINGS: Are you asking what we pay for commercial surveys?

The CHAIRMAN: The total dollar amount you might have paid to independent investigators.

Mr. FAIRFIELD: Or a trend examination, anything like that.

Mr. BUSHNELL: Again, I am afraid this is a situation somewhat similar to others I have mentioned. Actually, we deal with three of four firms, and I do not think they would want us to disclose the amount of money we pay to each.

Mr. FAIRFIELD: The total amount?

Mr. BUSHNELL: Yes, the total amount we can give, by all means.

The CHAIRMAN: Yes, that could be done. Is that what you wanted Dr. Fairfield?

Mr. FAIRFIELD: That is, as compared with the audience research of the C.B.C.

Mr. LAMBERT: In this particular field of programming, are you now giving consideration to the philosophy of broadcasting and television known as block programming as against feature programming?

Mr. JENNINGS: Do you mean, say, on rock and roll?

Mr. LAMBERT: Block programming, where you have the same type of thing for two or three hours, where a man is in charge. There is one man in charge and he handles a period of, say, three hours, as against, say, having four or five people with a program of this and a program of that, and swing it into something entirely different?

Mr. JENNINGS: I think I see what you mean, when you talk about this kind of block programming. There are two examples of this on trans-Canada radio now, Preview in the morning, and the other, Tempo, in the evening.

While it is a little block, in a sense, handled by one master of ceremonies, if you want to call it that—that is particularly so in the case of Tempo. But the intention is to supply a pretty wide variety of things like Rawhide,—Max Ferguson,—news and music. In the morning you have weather reports, band concerts and time signals.

Mr. SMITH (*Simcoe North*): Mr. Lambert was referring to a type of program such as C.B.C. Wednesday Night, people who are interested in more or less cultural programs?

The CHAIRMAN: Are you talking about television or radio?

Mr. LAMBERT: In the afternoons, where you go after teen-agers because they are at home?

Mr. JENNINGS: We say we are going after a great many people driving home in their cars.

Mr. LAMBERT: In the morning people consider they want something to jog them along a little bit. You do not have the sweet and schmaltzy music on in the morning.

Mr. JENNINGS: We do not. In the morning we find people want news, weather and time. These are the main things they want. The music we try to keep as brisk and bright as possible, as a sort of framework with it. In the case of Preview we have direct reports, which fall under the heading of news.

Mr. LAMBERT: Further to that, in view of the fact that private radio and television stations are going into this block programming, or are considering it, have you given any thought to consulting with them and seeing whether that is the trend?

Mr. JENNINGS: I think it would be a pretty difficult thing for us to consult in any one area. We have as part of our service in this kind of thing, Preview and Tempo, and that goes right across whatever network is available at the moment; and part of this is local.

It would be an almost impossible task in each area to consult and try to plan your service, with three different private stations in a town. I think what we do is to try to keep a pretty close eye on our own service and make it as competitive as possible, within the general framework of policy as to the kind of service we put out; and we try to develop our audience as satisfactorily as possible.

Mr. LAMBERT: Does that go, even when the fact is you may be on the left foot when everybody else is on the right foot?

Mr. JENNINGS: I am not quite certain what that means, but it does mean there may be an audience covered by a station with an opposite program, or a program which will not develop a big audience; but we put it on because we know there is an audience for it.

Mr. SMITH (*Calgary South*): Mr. Jennings, I am not going to become involved in trying to assess whether program A is better than program B. It would be a great mistake, because of the diversification of opinion we have already had before us. But we have had many references made—in your

statement, in Mr. Bushnell's statement, and in the corporation's statement—on the question of Canadian content. The C.B.C., as I understand it, has set itself up as the champion of retaining a substantial Canadian content in their program which, I think, is all to the good provided it is not taken to the extreme.

Perhaps I might first of all ask what percentage of American programs you are importing?

The CHAIRMAN: The percentage in television or radio?

Mr. SMITH (*Calgary South*): In television.

Mr. JENNINGS: I would think the network percentage is, at the moment, 60 Canadian and 40 outside—and that would include American, and Great Britain. It would include outside stuff, about 60 per cent on television network being Canadian.

Mr. SMITH (*Calgary South*): Has that altered since the Fowler Commission? Has it altered to the extent of those figures actually being reversed; and at that time were you on a 40-60 basis with the American programming?

Mr. JENNINGS: We have always tried not to go below 50; but the trend is, and what we are trying to do, is to increase always the Canadian amount of content in the schedule.

Mr. SMITH (*Calgary South*): I believe the officials of your corporation have indicated you are concerned about the impact on the lives of young Canadians, in the event that this maintenance of Canadian content is not continued. I wonder if you would suggest that, perhaps, the lives of the children in Vancouver or Toronto, as an example—which see, perhaps, 80 per cent American content—are any different in their upbringing from the lives of the other Canadians who see purely Canadian content?

Mr. JENNINGS: I think that is a long-term thing, and I could not answer specifically.

Mr. SMITH (*Calgary South*): Do you ever think that perhaps the question of Canadian content—which admittedly is a good thing—becomes an obsession with the C.B.C. and we therefore get quantity rather than quality in Canadian content?

Mr. JENNINGS: I would say not, no. I do not think we become obsessed with the idea of doing things Canadian. I think we have a good deal of self-confidence in the fact we can produce good Canadian shows with Canadian talent.

Front Page Challenge on television networks is an example of a Canadian program which has started up in the last eighteen months, and it has been received enthusiastically.

Mr. SMITH (*Calgary South*): I was not going to discuss specific programs, because I could name a few to which there has been no enthusiastic reaction.

Mr. JENNINGS: I think there is no doubt about that—and I could do that myself.

Mr. SMITH (*Calgary South*): You have made the statement you believe you are not overreaching in endeavouring to obtain a vast volume of Canadian content, and you are not sacrificing quality in many instances in these programs.

Mr. JENNINGS: I do not think you can overreach, so long as the material you put out is good.

Mr. SMITH (*Calgary South*): That is why I am interested in having these surveys, to determine whether public reaction was good.

The CHAIRMAN: Mr. Morris?

Mr. MORRIS: Mr. Chairman, has it been established how far we are permitted to go in the committee with reference to specific programs?

The CHAIRMAN: Would you repeat the question, Mr. Morris?

Mr. MORRIS: I wanted to know what the view of yourself and the committee was as to specific programs.

The CHAIRMAN: I think it is very much like a buyer in a departmental store. I mean, a buyer may be right 60 per cent of the time. He certainly does not buy the things that he likes personally. Different ones in this room, on this committee, are going to dislike one, two, three, four or five different programs. I do not think we should consider our personal likes and dislikes. I think we have enough evidence available of the trend in radio and television so we can find what the majority or minority in Canada like. I do not think we should get involved in the discussion of a particular program, showing our personal likes or dislikes.

Mr. PICKERSGILL: I think Mr. Morris raised a very important question of order, on which I would like to make one very brief observation.

Surely there is not going to be in this committee, which is part of a free parliament, any restriction on the questions that are going to be asked. I can see some reasons why the president or the acting president of the C.B.C. would not wish to answer some of the questions, and he could give us reasons for that; but I should think we can ask any question we like.

The CHAIRMAN: By all means; I am suggesting that we could meet here for seven years if each one of us talked about individual programs and our likes and dislikes. We have the material available from all the different research bureaus, such as Elliott Haynes and B.B.M., or from the C.B.C. research department; and then I think we can talk about what the people of Canada like.

Mr. MORRIS: I do not think this is a matter of personal preference; it is not on that level. Perhaps we can put that question, and see.

The CHAIRMAN: Try it out for size.

Mr. MORRIS: I have in mind a program carried on the trans-Canada network, Hawaii Calls. Why is this being used for the propagandizing of the tourist industry in another country, when it could be used on a rotating basis for the tourist industry of this country? For instance, in this season it could be British Columbia Calls, Alberta Calls, Manitoba Calls. Then we could keep some of our tourists' money in our own nation.

Mr. BUSHNELL: Let me say that, I think that particular program is largely traditional; it has been there for twenty years. Furthermore, it is free; it does not cost anything.

Mr. MORRIS: Do you advance that explanation or argument for leaving it there or taking it off?

Mr. BUSHNELL: Not necessarily so; but I recognize the fact there is certainly an amount of propaganda in it. But, on the other hand, a lot of people like Hawaiian music, and they like it to come from the horse's mouth.

Mr. SMITH (Calgary South): We are back to the Calgary stampede again.

Mr. BUSHNELL: Do not get things mixed up. This is the other horse.

Mr. MORRIS: I am glad to know which end of the horse we get the program from.

My question, though, is—and I hope I am not violating good sense in this—not just the popularity of this program, but we are here talking about Canadian content. This program has been mentioned to me by really top-flight tourist promotion people, who say that at this time it contradicts other federal government activity in an effort to encourage Canadians to see their own country.

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Mr. JENNINGS: There is a long history to this. It started up as part of an exchange series on the Mutual Broadcasting System. Then it was found that Hawaii Calls was popular, and it stayed on in the schedule. I have not heard it myself for some time, and I had not realized it was getting loaded with tourist attraction matter; but Hawaii Calls has always had this to some extent. At the same time, we do try in other programs to promote and encourage other tourist bureaus.

Mr. MORRIS: Could Mr. Bushnell and Mr. Jennings take another look at this and see if it can be altered?

Mr. PICKERGILL: Is Mr. Morris suggesting those cowboys from Charlottetown should be put on the program?

Mr. MCINTOSH: I am particularly interested in the opening statement in this brief, where it says:

C.B.C. was created by parliament to provide Canadians with a broadcasting service suited to the particular needs of this country.

I understand the impending fight between Durelle and Moore, according to press releases, will be covered by radio and television in the states only.

I have four or five questions I want to ask on that. I understand the promotion of this is held by the International Boxing Commission and, in particular in Canada, Mr. Quinn, a promoter in Montreal; is that correct?

Mr. BUSHNELL: That is correct.

Mr. MCINTOSH: Is the C.B.C. carrying on any negotiations with Mr. Quinn at the present time?

Mr. BUSHNELL: Yes.

Mr. MCINTOSH: My second question is, what obstacles appear to be in the way of completing the contract?

Mr. BUSHNELL: Money.

Mr. MCINTOSH: My third question then is, have you made any arrangements with other broadcasting firms, or advertisers, in case you are successful in coming to terms with Mr. Quinn?

Mr. BUSHNELL: Mr. McIntosh, are you asking if we hope to have a sponsor for that particular television show, if we are successful in getting the rights?

Mr. MCINTOSH: Yes.

Mr. BUSHNELL: That is correct.

Mr. MCINTOSH: My fourth question is, is Mr. Quinn or the I.B.C. responsible for the present press release with regard to this fight not being telecast in Canada?

Mr. BUSHNELL: Yes, I think they are. This is a matter of negotiation, and right at the moment we are still negotiating with Mr. Quinn. Quite frankly, we think he wants more money than the fight is worth, and he places certain restrictions on it which we will not go for. Those restrictions are black-outs in certain areas in which there is a very limited number of people who will pay \$2, \$5 or \$10, whatever it is, to go and see the fight; and Ottawa is one of them. If Mr. Quinn does not come around, as far as Ottawa is concerned, and remove it from the blackout list, there is going to be trouble.

Mr. MCINTOSH: In the ring?

Mr. BUSHNELL: I hope there is trouble in the ring; otherwise we are spending a lot of money for nothing.

Mr. MCINTOSH: Is it right that you have had negotiations on two previous occasions with this particular person?

Mr. BUSHNELL: That is correct.

Mr. MCINTOSH: I understand also there is some suggestion that this is to be telecast only in theatres; and if that is so, how many theatres are equipped in Canada to have that?

Mr. BUSHNELL: I am not prepared to say that, but I should think quite a number, because some of the professional fights in the United States are seen in theatres in Canada; but I cannot tell you the number.

Mr. MCINTOSH: Would you say the percentage was small?

Mr. BUSHNELL: I would say it would be quite small.

Mr. DORION: I would like to ask a question about this report at page 3. I am referring to this sentence:

One of the tests of healthy democracy is the tolerance of unpopular minority opinions, of new expressions of art and ideas, either native or imported, which are essential to the nation's development.

I would like to have further clarification about this expression "unpopular minority opinions"—"the tolerance of unpopular minority opinions." I would like to know exactly what you have in your mind.

Mr. JENNINGS: Although it does not exist at the moment, because it does not qualify—

Mr. DORION: Because in the province of Quebec you have certain commentators who are not very popular. Is it because you want to be tolerant toward unpopular minority opinions?

Mr. JENNINGS: I do not think we put on unpopular minority opinions for the sake of putting them on; but when in our wisdom, through consultations and study, we feel an opinion should be broadcast, then it is part of the kind of output I have tried to describe, and we feel it is our duty to do it.

Mr. DORION: Another question: will you tell us who is responsible for the preparation of your news bulletins, commentaries and the composition of panels for the discussion of questions of public or political concern?

Mr. JENNINGS: In the case of news casts, the C.B.C. news service is responsible for the preparation of bulletins and the selection of speakers who give news reports.

Concerning the question of opinion broadcasting, commentaries on the news, and panels, that is the responsibility of the talks and public affairs department.

Mr. DORION: Who is responsible in that department?

Mr. JENNINGS: The department is headed up by a supervisor, but I suppose you would say it is a corporate responsibility, as part of the corporation's activities.

Mr. DORION: The supervisor is who?

Mr. JENNINGS: On talks and public affairs?

Mr. DORION: What is the name of your Montreal representative? I would like to have his name.

Mr. OUIMET (*Deputy Controller of Broadcasting, C.B.C.*): The representative for the French network is Mr. Thibault.

Mr. DORION: And he is responsible for the news?

Mr. JENNINGS: No. The C.B.C. news service is responsible for the news broadcasts. It is our news bulletins you mean?

Mr. DORION: I mean who is in charge, or who is responsible for your news services at Montreal?

Mr. OUIMET: The chief news editor in Toronto is W. H. Hogg, and the supervisor of news over the French network is Bruno Comeau.

Mr. DORION: We should have these men present, Mr. Chairman.

The CHAIRMAN: If you wish to have them called.

Mr. SMITH (*Calgary South*): May I return to the question of Canadian content?

Mr. CHAMBERS: I have a supplementary question, Mr. Chairman.

The CHAIRMAN: Very well.

Mr. CHAMBERS: It is on the same line as the balance you spoke about earlier, particularly in regard to political and controversial broadcasts. Are the people who were named responsible for maintaining this balance?

Mr. JENNINGS: No, there are the heads of the news service.

Mr. CHAMBERS: You mentioned earlier a Mr. Thibault of the talks department, and their responsibility for balance.

Mr. JENNINGS: Yes, under policy direction and consultation.

Mr. CHAMBERS: Is there a directive given to them by the corporation directors and from management, in the way of a formula or something of that nature, as criteria by which they are supposed to achieve this balance?

Mr. JENNINGS: Yes, quite definitely.

Mr. CHAMBERS: On the question of political and controversial: do you try to keep your balance in proportion, let us say, to the opinions in the country, as shown by surveys?

Mr. JENNINGS: I take it you are speaking of political broadcasts on free time?

Mr. CHAMBERS: No; I mean commentaries on the news.

Mr. JENNINGS: I doubt if that would be possible. So many of these commentaries depend on the news at the time. I am not speaking of news bulletins, but commentaries on news and happenings in the country. I would think that any person presenting the news, whether it be via a newspaper or the C.B.C. or what have you, would find it very difficult to assess the news value of a thing, by which opinions could be expressed in relation to some short of percentage basis in the country.

Mr. CHAMBERS: The Gallup poll shows that socialist opinion in this country generally runs from ten to twelve per cent. Do you attempt to limit socialist opinion on panels to that percentage? Do you tell your people to pay closer attention to the shades of opinion in the country when they are choosing commentators?

Mr. JENNINGS: In the presentation of news commentaries—we have been presenting them for twenty years in radio, and now in television—we continually try to pay attention to the problem of giving a balanced view of opinions, but I do not think we make reference to Callup polls and say we will give more of an opinion about this or that.

Mr. FORGIE: Would your criterion not be the opinion of the listening audience? You surely must have run into it during those twenty years?

Mr. JENNINGS: I would think that by and large over the years the broadcasts in this field have been well accepted, and that people think the C.B.C. does a pretty good service in giving opinions about what is going on in the country.

Mr. BELL (*Carleton*): In his initial statement Mr. Jennings spoke of certain internal rules of the corporation which govern the objectivity of newcasts. Could the committee have a look at those rules?

Mr. JENNINGS: Yes, quite easily. I could read you a couple of excerpts before producing them.

The CHAIRMAN: No, you had better produce them.

Mr. BELL (Carleton): At the next meeting.

Mr. McCLEAVE: On the first subject of outside talks, does anybody look over the list of speakers chosen by those responsible for outside talks to determine whether there is not too much repetition of individuals—that is, to see that the outside talks man is not sending up the same people week in and week out? This is something that has grown up among a great many Canadians. I am not expressing my own paranoia, but rather an behalf of a goodly number.

Mr. JENNINGS: That is definitely not the case. From my own office alone there is a continual pressure to use as wide a range of speakers as possible in this broadcasting field; but there is also another aspect to it; that some people are good broadcasters, while some are not. That is a thing we have to take into consideration within the framework of the plan as a whole. There is no question that some are better broadcasters than others. There is also the situation where people are not available, or where someone may be willing to broadcast via television but not via radio. Generally, there is continuing pressure to make sure that we have as wide a representation of individuals as is possible, and as good broadcasting as possible.

Mr. McCLEAVE: Are these people from outside ever restricted for this very reason?

Mr. JENNINGS: For what very reason?

Mr. McCLEAVE: You say you give them surveillance.

Mr. JENNINGS: We do not interfere with what commentators say.

Mr. McCLEAVE: Have you never criticized some people for what they said?

Mr. JENNINGS: I have had occasion to criticize our own people; but when I had occasion to criticize them they had particular difficulties which hinged on the situation which I have mentioned. They seemed to have fairly reasonable explanations as to why a broadcast by such and such a person was justified; the information available would be that some other person did not want to broadcast. This has happened many times. I think that hardly two weeks pass without my having a conversation in this field of action; but we try to keep our broadcasts as wide as possible, and to distribute them as widely as possible.

Mr. McCLEAVE: I have a question which is criticism of the C.B.C.: that in its dramas there seems to be a standard practice for actors or personalities in Toronto, or perhaps in other centres, to be perhaps engaged continuously in these performances. I think a year ago we were on a Jack Creley Bick, but this year it seems to be Fred Davies or Charles Templeton who are showing up at almost any hour of the day or night. Is there any policy of trying to diversify the plans of the C.B.C. when hiring these people?

Mr. JENNINGS: Again I might say that we try to get the best people we can. I myself find occasion to make the same kind of criticism, that one person may appear too often; but again the factors I have mentioned come into play.

You mentioned artists, and that there might be a small body in Toronto. But because of the C.B.C. we have a pretty professional group of people making their living out of broadcasting. I do not think they form any kind of clique; but the situation is that these people are in a position to make a living out of their profession, and they might quite easily move to New York. They are of a calibre where they might easily move off and make good in New York. In fact, some of them are doing that.

Mr. McCLEAVE: There is one aspect of my question: suppose a man is employed as a commentator and suddenly he wants to produce plays, or wishes to star in a play. This happened to the person I have in mind. Is there not a

danger that, just because he is well known at the C.B.C., your people would determine the plays or works that are going to be produced, while somebody else is going to be shut out?

Mr. JENNINGS: By mere proximity? I suppose there would be a human or natural tendency for that, but it is something we try to prevent.

Mr. PRATT: I think that in all branches of show business it exists. The man on the spot is apt to get the work. I think the C.B.C. has the aim of keeping Canadians employed without over-exposing them in television, but it is a very difficult problem.

Mr. JENNINGS: We have another problem. Where these people become popular—and not only with the C.B.C.—I suddenly find on my television set one of our more serious actors in a commercial spot. There is nothing very much we can do about that. However, there is a possibility, that his value as an actor, for certain collateral work, might quite well be inhibited.

Mr. SMITH (*Calgary South*): Do you have some in the reverse position, where a commercial representative turns up in a dramatic production?

Mr. JENNINGS: I saw that happen just the other day, and I shook myself, because I wondered what was going on.

Mr. SMITH (*Calgary South*): I understand that actors have a rather limited field: but is there not a pool of actors to which you try to limit yourself, and therefore these people seem to be appearing continuously?

Mr. JENNINGS: I do not know how much it is limited. We are coming to the time of year when the direction is going into reverse. This week rehearsals commenced at Stratford and we found that our pool was much shallower than it was last week; but I think it is a growing pool.

Mr. SMITH (*Calgary South*): Yes. One of the things that worries me is—if I may just revert to the Canadian content aspect again—you would not care to give us a definition of what you consider to be Canadian content? I assume you are responsible for determining the Canadian content?

Mr. JENNINGS: Not I, personally.

Mr. SMITH (*Calgary South*): Then may I ask who is responsible?

Mr. JENNINGS: What do you mean by "Canadian content"?

Mr. SMITH (*Calgary South*): No. I asked you my question first.

Mr. JENNINGS: Generally speaking, Canadian content in a show would consist first of all in the fact that it was written by a Canadian, performed by Canadians, and produced by Canadians.

Mr. SMITH (*Calgary South*): You would consider a Montreal-Toronto hockey game as having Canadian content, of course?

Mr. JENNINGS: Yes.

Mr. SMITH (*Calgary South*): My concern is this: the volume of money that we are spending is sizeable in relation to maintaining this Canadian content; and if it is on a basis that we are importing 40 Americans to 60 Canadians, possibly the proportion of the amount of cost would be somewhere in that same area? Would that be a correct assumption?

Mr. BUSHNELL: No, not on the United States side, because the importation of American programs is very much less costly than the creation of a Canadian program.

Mr. SMITH (*Calgary South*): My figures would be even more extreme?

Mr. BUSHNELL: We can go out and buy an American syndicated film to be put on the air, and we can buy it at a cost of \$4,000 to \$5,000 for half an hour of syndicated feature. We could go on doing that sixteen hours a day, and it would certainly be less costly than paying money for a broadcast by Canadian artists.

Mr. SMITH (*Calgary South*): That is a very fine statement. Nobody suggests that it should be done in this committee. We are only trying to determine what we are getting in the way of Canadian content, and whether or not it should be enlarged. You are aware of the private broadcasters who are also responsible and who carry out a fairly sizeable amount of Canadian content in their projects?

Mr. BUSHNELL: Indeed.

Mr. SMITH (*Calgary South*): Is there any attempt made by the C.B.C. to make sure that they are carrying the full amount of Canadian content, and is there any area in that connection having to do with private broadcasting?

Mr. BUSHNELL: Very definitely. We have two meetings each year with our television affiliates when these matters you have raised are fully discussed.

Mr. JENNINGS: And if I may intervene, there is also a program advisory committee made up of representatives from private stations and the C.B.C. which discuss actual programming matters.

The CHAIRMAN: How old is that committee?

Mr. JENNINGS: I think it is a little over two years old now, or about two and one half years.

Mr. MCINTOSH: You have said that it costs from \$4,000 to \$5,000 for a half hour program from the United States. What would it cost you for the same type of Canadian program?

Mr. BUSHNELL: It would probably cost us three times as much.

Mr. TREMBLAY: In the first part of your report I read the words "education in respect to school broadcasts". What is meant by that expression?

Mr. JENNINGS: In school broadcasts, for example in radio, for many years now we have put them on in collaboration and consultation with the national advisory council on school broadcasts. The provincial broadcasts we work out with each of the provincial departments of education concerned, as well as in collaboration with the national council on school broadcasting.

On television, in 1955-56 we had two series of school broadcast experiments, but we have not had a further experiment since. We collaborated with Manitoba and Nova Scotia in conducting those experiments. We have no comparable kind of broadcasting on the French network.

The CHAIRMAN: Along the same line have you ever had a closed circuit educational experimental program—that is, tying in one teacher with several different schools?

Mr. JENNINGS: What we are doing is to look at all these kinds of techniques to find out how television can best be used to assist the teacher in the classroom. Some people are very keen on this master-teacher technique and regard it as the best way of helping the teacher.

Mr. TREMBLAY: I would like to ask Mr. Ouimet a question.

(Continued in French).

The CHAIRMAN: I am afraid your question will not appear in the minutes because we do not have a French speaking reporter. Perhaps Mr. Pratt would ask your question for you in English.

Mr. PICKERSGILL: Mr. Chairman, Mr. Tremblay has a perfect right to ask his question in French.

The CHAIRMAN: Yes, but we do not have a French reporter. We can send for one, or we can wait until the next meeting. I regret that we do not have one today. That has been the past policy at all committees meetings until this morning. I think it is a good idea, to provide me, myself.

MR. PRATT: May I ask one question in the meantime.

THE CHAIRMAN: Mr. Dorion comes first.

MR. DORION: Mr. Jennings, you told us that so far as the supervisor of news programs was concerned, it was Mr. Bruno Comeau?

MR. JENNINGS: For the French network, while for the English network it is Mr. Hogg.

MR. DORION: When was Mr. Bruno Comeau appointed?

MR. OUIMET: It dates back to some time last spring. Actually there was some delay; because he had to transfer from his previous position. However he was in full operation in the early fall.

MR. DORION: Who was there before Mr. Comeau?

MR. OUIMET: His predecessor was Mr. Roger Bourbnnais.

MR. DORION: I would like to hear from Mr. Bourbnnais.

THE CHAIRMAN: We will suggest that to the subcommittee.

MR. DORION: At page 57 I read a sentence in your report as follows:

The French speaking news editors have developed in Canada a French radio style that is clear, direct, and impartial.

Did your staff receive any criticism about the impartiality of that system on the French radio?

MR. JENNINGS: We have had over the years criticism that comes up from time to time with respect to the impartiality of our news services, but when we have looked into them, it has only been rarely that we have not been able to satisfy ourselves that the editors were carrying out the rules and regulations which I have promised to give to you, and which lay down quite clearly the matter of treatment of the news. I am speaking of the C.B.C. news service.

MR. FORTIN: You probably conducted an inquiry in each case. But are you aware that on the French network the four commentators that we hear every day belong to the same newspaper, that the four of them are active members of a certain socialist party,—and we have some who are really good?

You mentioned the fact that we have to have someone who is broadcast-minded, but those four that we see every week—I shall not give you the names unless you ask for them—belong to the same newspaper.

MR. JENNINGS: I think we must be very clear in our definition of the C.B.C. news service, which does give a factual objective service of news reporting. This is put out in daily bulletins, regional bulletins, national bulletins, and so on. We rely mainly for our material on the two main news services, the Canadian Press and the United Press International, working with the C.B.C. news service. I take it, however, you are referring to the commentaries on the news?

MR. FORTIN: Mr. Dorion was speaking about impartiality.

MR. JENNINGS: Yes, I wanted to make it quite clear that there is a clear distinction between the production of news commentaries and of news bulletins.

MR. FORTIN: He asked another question subsequently, concerning a certain part of your report.

MR. DORION: That is in news.

MR. JENNINGS: I thought I answered that.

MR. TREMBLAY: I would like to repeat my question, Mr. Chairman. So far as the French network is concerned, would you tell me what is the meaning of those words, "education of youth and school broadcasts"?

MR. OUIMET: So far as the school broadcasts are concerned, I think Mr. Jennings has been very clear in pointing out that we have been very careful,

through the history of the corporation, very careful in our relations with the provinces in matters of pure education. I am using the word "education" in the English sense in this particular case. The word "éducation" in French, of course, has another connotation; the word "education" is much broader.

What we do on the French network is, and we do have some educational broadcasts, but they are adult education broadcasts. We consider youths, to a certain extent, as on the way to becoming adults, particularly the graduates of our classical colleges, and even those who are in earlier years at college. This is the difference we make. We have never embarked—on the French networks of the C.B.C.—in the type of school broadcasting carried by the English networks, because, for one reason or another, I suppose, we have never been able to secure the cooperation of the various governments over the years. We are a federal corporation, as you know, and therefore we are very conscious of the fact that there exists the British North America Act. Mind you, there have been approaches made over the years to various officials of the governments, but these approaches have never led to fruition. But, on the other hand, it seems to me it is interesting to notice that some of the English broadcasts which are prepared for Ontario, with the cooperation of the Ontario Department of Education, are also used in the province of Quebec, in the English language, with the cooperation of the Department of Education.

In the French language, whether the lack of school broadcasting is a loss to the French-speaking people, or whether it would be a boon, remains to be seen. But up to now we have never been able to give anybody what we actually call school broadcasting.

Mr. DORION: Is it because you are not sure of the mentality of your own educators?

Mr. JENNINGS: Let me make this quite clear. These broadcasts are worked out with the Departments of Education. We supply the facilities and they provide the content, and no content is on the air which is not approved by the provincial Department of Education concerned.

Mr. TREMBLAY: What is the difference between "pure education" and "education"?

Mr. OUIMET: I do not mean "pure" education. Perhaps I have not expressed myself as clearly as I should. Again, personally, I too would prefer to express myself in French, because when you discuss such shades in the meaning of certain words like "education" and so forth, you inevitably have a conflict. The word "education" in English as applied to in-school teaching is actually covered by what we call in French "instruction publique"—instruction in the schools, instruction in the schools of the province. I do not feel that the word "éducation" in French covers the same ground, because the word "éducation" can be limited to higher education, education in the universities; to education of the adults, and it could also refer to education within the family. This is generally the way we use it in the French language—the word "éducation" as commonly used within a French family.

Mr. TREMBLAY: It is the sense, in your mind? When you make a distinction between "pure education" and "education" for adults, and so on, you have in mind a certain kind of education; but it is not, necessarily, the right sense of the word "education"?

Mr. DORION: I would not like to enter into a discussion with you on the word "education", but I recall to you that a very important judgment was rendered by Sir Lyman Duff in 1938, giving to the court the more extensive meaning.

Mr. TREMBLAY: Mr. Ouimet, could you tell me if education is the aim of the C.B.C.?

Mr. OUIMET: Among its objectives, the C.B.C. has as its main objectives—if I recall—to entertain, to inform and to educate

Mr. ROULEAU: In the broad sense of the word?

Mr. OUIMET: In the broad sense of the word.

Mr. PICKERSGILL: Mr. Jennings, could you answer this: within the ordinarily accepted meaning of the appropriate section of the British North America Act—that is to say, the jurisdiction over schools: and that is what it is, of course, in the British North America Act—am I correct in understanding that the C.B.C. does not give any broadcasts of this character—that is, broadcasts for schools or broadcasts directed to school children for the purpose of instructing—in any province unless it is done with the complete approval of the competent provincial authorities?

Mr. JENNINGS: That is correct.

Mr. CAMPEAU: Could you tell us what discussions were held between the proper authorities in Quebec and the C.B.C. in regard to its educational programs?

The CHAIRMAN: You mean, between the Department of Education of the Province of Quebec and the C.B.C.?

Mr. CAMPEAU: That is right.

The CHAIRMAN: Regarding educational programs?

Mr. CAMPEAU: Yes, because the statement was made that they were broadcast in other provinces and not in Quebec.

Mr. BUSHNELL: I think, Mr. Chairman, we had better clear up that point. These discussions have gone on for many years and, as I recall it, actually the basis on which our broadcasting to schools was formed was done largely by the late Dr. Frigon and his program people at that particular time. Obviously—

Mr. CAMPEAU: That was a long time ago?

Mr. BUSHNELL: That was a long time ago.

Mr. CAMPEAU: No attempts were made—

Mr. BUSHNELL: I would not say that no attempt has been made; but there does not seem to be any definite wish on the part of the provincial education authorities for us to embark on the same kind of broadcasts which are intended for listening to in school; and if it is not the wish of the provincial government that we should do that, obviously we stay out of that field.

Mr. JENNINGS: If I may make a supplementary comment, Mr. Chairman, there is a difference of opinion, I would gather, as to the value of radio for in-school listening in connection with the curriculum.

Mr. CAMPEAU: I would like to know if this is an expression of opinion on the part of the C.B.C., or is there an official statement from the school authorities in Quebec?

Mr. BUSHNELL: I would doubt very much if there is an official statement. Certainly, we would have to look back over our records for many years. I am just not competent to say, Mr. Campeau, whether there was any exchange of correspondence, let us say, ten, 12, or 15 years ago: I cannot tell you. Mr. Ouimet may know.

Mr. OUIMET: If I can test my memory, the discussions which took place had perhaps no official character—they never reached the official stage—because in certain circumstances we were not led to believe that we should press on with the idea of doing in-school broadcasting. In other words, they were mostly unofficial, or informal discussions.

Mr. CAMPEAU: When you speak about "no official character", I would like to know whom these discussions were with, because you know the system in the province of Quebec and you know who is responsible for the education field.

Mr. JENNINGS: I think that our position in the C.B.C. is simply this: in the very beginning, I do not think—as a matter of fact, I am sure we did not go to the education authorities of the schools in the provinces and say, "We want to do school broadcasting". What we are doing, in cooperation with the provincial departments of education is cooperating and collaborating with them in a field in which they have expressed a wish to be; and in all the provinces but Quebec we present programs prepared by the departments of education which are produced over our facilities.

Mr. PRATT: Along those lines, Mr. Chairman: I think some of us are missing a very important point that has been known in the theater for a long time—if you cannot entertain without educating, you cannot, conversely, educate without entertaining.

While we are on this very high-minded plane, I would like to ask if the state of moronic western movies to which we are, at great cost, subjected, is as a result of audience survey.

Mr. JENNINGS: It is not a result of audience surveys, Mr. Pratt. I do not know whether I would use the same description, "the state of moronic western movies". I have heard other comments about their value as programs and about their appeal as programs.

Mr. PRATT: That is a form of audience survey, is it not?

Mr. JENNINGS: It is not a form of audience survey: it is an impression that one makes.

Mr. PRATT: It may be that I am unfortunate, but at the very time I turn on my television set there always seems to be a succession of men chasing other men with guns, beating one another up violently. It does not seem to be in keeping with one of your objectives, the education of youth. I realize that fairy tales are sometimes violent: but I was curious as to whether this was a result of an audience survey which showed that the great majority of people watching at the moment were in favour of such programs, or whether it was as a result of your need for economical operations.

Mr. JENNINGS: No: I think we can show you that when these westerns are on, they attract very large audiences indeed.

Mr. PRATT: I am sure, adults as well as children.

Mr. JENNINGS: It is completely debatable, and certainly within the C.B.C. itself it is a topic of argument as to whether we have too many of them or not.

Mr. PRATT: That is my point. Is it as a result of a survey or study of these programs that they are more popular than others?

Mr. BUSHNELL: Excuse me, Mr. Chairman; may I add something to that. Quite frankly, I think we have too many of them. But actually, I suppose, the fact that some of our sponsors realize that they are big audience pullers has a certain effect, if you like, on our decision.

They are out for a mass audience. Then there is the other consideration too, that some of these westerns are not too expensive, and the sponsors come along to us and say, "Look here, Mr. C.B.C.: this is a program that we bought in the United States. We are showing it in the United States: why can't we show it in Canada?", and if it is not too violent, I must admit that probably we have been a little bit lenient. But it is a matter that is under consideration, and very definitely.

Mr. PRATT: I am not criticizing the westerns themselves: I, myself, have made some of the worst ever made. But I was just asking the question in connection with the tremendous volume of these things that seems to be appearing. They seem to be growing broadcasts, rather than diminishing.

Mr. BUSHNELL: It is a trend that probably in six months or a year from now will be entirely different.

The CHAIRMAN: It is a great trend in the United States also.

Mr. FLYNN: Mr. Chairman, I wish to revert to the question of the restricted number of good broadcasters. I was wondering if we could take it as an inevitable consequence that some minority opinions will have more chance to express themselves because their protagonists are better broadcasters?

Mr. SMITH (*Simcoe North*): Mr. Chairman, I have a question concerning school broadcasts. Is it not a fact, Mr. Jennings, that in Ontario, for instance, the Department of Education supplies the actual material for the broadcasts and the C.B.C.'s part in it is largely technical services and advice?

Mr. JENNINGS: They not only supply the material, but they pay for it. We supply the facilities. Coming back to Mr. Pratt's remarks about entertainment, I think one of the roles the C.B.C. has played in this—in consultation with the education authorities—is to make them attractive, to give them a certain amount of showmanship.

Mr. SMITH (*Simcoe North*): The department of education are the people who supply the program, and therefore, if there is any bias in it, it is not C.B.C. bias at all; it is purely the bias of the department of education for the province that is concerned?

Mr. JENNINGS: That is correct.

Mr. CHAMBERS: I want to come back to what Mr. Fortin was asking a few minutes ago—this, to me, vitally important question of balance. Would it be possible—in the case of the French network, for instance—to supply us with a list of, say, the ace commentators who are used most frequently, over some convenient period, say six months or a year? Also, what percentage of the time does each have? Do you follow my question?

Mr. JENNINGS: Yes. I think we can supply you with full details of commentators and what programs they were on.

The CHAIRMAN: At some future date.

Mr. CHAMBERS: I would like to get some idea of who is getting most of the time.

Mr. JENNINGS: This is the French network?

The CHAIRMAN: The French network show.

Mr. JENNINGS: We keep those records very carefully.

Mr. CHAMBERS: This includes the panel shows?

Mr. JENNINGS: That is correct.

Mr. CHAMBERS: The question I put to you, Mr. Chairman, is a question of order, to see if I might have this. I would like to have a transcript of a program called *Man to Man* which appeared on the trans-Canada network on Monday, May 11, at 9 p.m.

Mr. BUSHNELL: So would I.

Mr. JENNINGS: I might say, I am in the process of securing one for myself.

The CHAIRMAN: Mr. Chambers, may I suggest that, if they find it, we can have it.

Mr. DORION: We have to vote the funds.

Mr. SMITH (*Calgary South*): Mr. Chairman, I wonder if I might ask Mr. Jennings a question dealing with the production of a particular program or programs? Mr. Bushnell, in his statement—and I shall read the excerpt—said "Each program is an individual creation. It must be individually planned and custom-built. There is no mass production—nor can there be". And that is a perfectly understandable situation.

I wonder, though, in view of the experience in Britain and in the United States—where they film these individual programs—if we make any

attempt—as they have done, very successfully—to sell these outside of Canada with the Canadian content that we have dealt with so extensively. I believe we have, to a very limited degree, and perhaps Mr. Jennings or Mr. Bushnell might comment on that.

Mr. JENNINGS: I think I could tell you what we are doing in that field. we are selling an increasing amount of what we call export programs, particularly dramas, to the Independent Television Authority in Britain, to the B.B.C., to the French television, to the A.B.C., (the Australian Broadcasting Commission), to the States—would you like me just to run down the list?

Mr. SMITH (*Calgary South*): If it is not too extensive.

Mr. JENNINGS: It is not terribly extensive. One-hour live dramas—we have sold five to A.B.C. Television in New York—

The CHAIRMAN: Is this in the last 12 months, or what?

Mr. JENNINGS: This is since September, 1956. We have sold abroad 98 one-hour dramas on kinerecording, 15 to the B.B.C., two to Australia, two to Granada in the United Kingdom—which is one of the television production companies—39 to Associated Television—another of the independent companies in Britain—G.T.V. private television in Australia, 39 of them; and it says here, one to the Brussels World Fair; but that was a Canadian program we supplied to the Canadian pavilion for performance there.

Mr. SMITH (*Calgary South*): This is all since September, 1956?

Mr. JENNINGS: Yes. These were one-hour plays on kinerecordings. Half-hour plays on kinerecordings—we have sold 65, 43 of them to the B.B.C. in London, and 22 of the Australian Broadcasting Commission. One-and-a-half-hour dramas, on kinerecordings—and these are fairly rare—we have sold two to the B.B.C., one to the National Educational Television Center in the United States, and we also sent an hour-and-a-half show across to Brussels, which was played in the Canadian pavilion.

Mr. SMITH (*Calgary South*): May I interject here. Do I assume that, in the usual circumstances, there are programs, or productions, that have had their initial playing in Canada?

Mr. JENNINGS: Oh, yes; they have been performed over the television network here and, by an arrangement with the Artists Association—including a step-up fee—we are permitted to export them; and we recover—I cannot say what the scale of payment is, but we sell these fairly profitably.

Mr. SMITH (*Calgary South*): This is an attempt, therefore, to change the flow of programs which consequently have been coming in here. Otherwise, this is a move to present some of the talent we have in Canada outside of Canada. This is an honest attempt but it is not very impressive, in view of the length of time. Is there any chance or hope of setting that up?

Mr. JENNINGS: Yes, very much so. I might mention here another Canadian production going on at the moment, the R.C.M.P. series, in which Crawley-McConnell, the C.B.C. and the B.B.C. are jointly producing 39 half-hour films, which we hope will be seen around the world. Already it has been sold in Britain, Australia and Canada, and we are very confident of a sale in the States before too long.

Mr. SMITH (*Calgary South*): May I ask in relation to revenue, if this is a determining factor in arriving at the costs to the countries that buy this? How do you assess the costs?

Mr. JENNINGS: I am not sufficiently familiar with the formula. It consists of what it costs us to make this available for export. There is an additional fee for the artists, an additional fee for the writers and materials used in preparing the kinescope, and the costs to the C.B.C. involved in making it.

Mr. SMITH (*Calgary South*): There is some attempt to assess the amount of the initial costs of production in the revenue you receive from having it accepted abroad?

Mr. JENNINGS: Yes.

Mr. PRATT: Is it the intention of the C.B.C. to use video tape for export purposes, rather than the old-fashioned kinescope?

Mr. JENNINGS: You may have noted that when I gave export figures before, I said: five one-half hour dramas, live, to the States; and I later mentioned a large number of kine releases to Australia and Britain, where they use them. But American networks, for a long time now, have not been interested in kine quality. Certainly, I hope in the future, and it is the case now, that video tape is of sufficient quality that the American networks will accept it.

Mr. PRATT: Is the C.B.C. extending its video tape facilities?

Mr. BUSHNELL: Yes, very definitely.

Mr. ROBICHAUD: The main question I have in my mind was asked by Mr. Chambers. I hope when we are supplied with the list we will have the time used by each one, say, in the last twelve months; and that it will include both French and English networks.

Mr. JENNINGS: Yes.

The CHAIRMAN: Do you mean the number of occasions?

Mr. ROBICHAUD: Yes, say in the last five years. I have another question I do not think has been asked so far. Mr. Bushnell, could you tell us what percentage of C.B.C. programs must be used by private stations? I have in mind radio and television. Do they have a selection, or do they have to use specific programs?

Mr. BUSHNELL: Yes we are in a position to furnish that information. I doubt if we have it with us today. There has been for years—let us go back to radio—a definite pattern established on what we call “reserved time” and option time, and by and large the private stations have observed it; and, indeed, in many, many cases they are carrying much more C.B.C. service than our agreements call for. We do have to allow some time for their own community promoters, for their own local advertisers; but we can certainly give you very specifically the agreement between ourselves and private television stations in terms of, almost, minutes.

The CHAIRMAN: This agreement is identical with each one of them, is it?

Mr. BUSHNELL: Yes.

The CHAIRMAN: Any further questions, Mr. Robichaud?

Mr. ROBICHAUD: My questions have been answered.

Mr. SIMPSON: Mr. Chairman, my question is actually supplementary to Mr. Chambers', and it is in relation to these commentators that are taken on by the C.B.C. for news commentary. In relation to what Mr. Jennings said, that there were specific men allotted to determine this work, has the C.B.C. not a public relations bureau or a press information bureau besides this? What is the liaison, if any, between the C.B.C. and the general press?

Mr. JENNINGS: This relation between the C.B.C. and the general press is carried out through the press and information department.

Mr. SIMPSON: Is that a new department?

Mr. JENNINGS: No, it is many years old.

Mr. SIMPSON: How do you find that has worked out,—fairly good?

Mr. JENNINGS: I have very little first-hand contact with it, because it is a department by itself; but I gather it is doing fairly successfully.

Mr. BUSHNELL: I think I can answer that.

Mr. SIMPSON: Can you tell us something of the duties it carries out?

Mr. BUSHNELL: I think I could answer that by saying that probably the C.B.C. gets more coverage in the newspapers of Canada than any other organization in Canada, probably, except for parliament; I am reminded of that.

The CHAIRMAN: Are you through, Mr. Simpson?

Mr. SIMPSON: Yes.

The CHAIRMAN: Any further questions?

Mr. BUSHNELL: If you would like it some time, I would be very glad, as a matter of fact, to have a display in this room which you could look at before or after a meeting, or at any time, indicating the amount of coverage the C.B.C. gets for its various programs. It is rather astonishing.

Mr. SIMPSON: I was wondering if during these discussions the problems of commentators used by the C.B.C. were discussed between this group and the general press?

Mr. BUSHNELL: No, that department has nothing whatever to do with the selection of commentators.

Mr. MACQUARIE: I would like to invoke the popular word "balance" in considering the fact we are talking about the national service. I wonder how much consideration is given in the selection of commentators, in the matter of geographic balance in such matters as weekend reviewers and Critically Speaking performers. These are staffed largely by university people, and there are fifteen universities in the maritimes. I wonder what category of reasoning was invoked and why more maritimers are not used?

The CHAIRMAN: Possibly they are not photogenic.

Mr. MACQUARIE: Many of them are, I am sure.

Mr. BUSHNELL: It is conceivable that there is a technical problem there. I know it has happened that on the maritime network a great many of the maritime people are used; but when we come to a national television broadcast of that type, actually it is quite expensive to reverse the network. The program probably at that time, or around that time, is originating in, let us say, Toronto, and if you hop to the maritimes to pick up a special speaker for, let us say, five minutes, the cost would be very, very high indeed. That is a partial reason.

Mr. MACQUARIE: The examples I am thinking of are on the radio.

Mr. JENNINGS: In Critically Speaking we do attempt to give geographic representation; and I was not aware myself that in the over-all picture the maritimes seemed to be suffering.

I have heard—I have forgotten the name, but it is from Halifax—a chap who does first-class broadcasting in Critically Speaking.

Mr. MACQUARIE: Maybe I am wrong in assuming they are suffering.

Mr. JENNINGS: I do not know.

Mr. BUSHNELL: I think probably we are wrong.

The CHAIRMAN: That is a good admission.

Mr. LAMBERT: How much use do you make of the facilities of the National Film Board in your productions?

Mr. JENNINGS: We do not make any use of their facilities at all, that we are aware of; but we do get television programs from them. We have the occasional individual program, and we have a regular Sunday series which goes practically the year round. These series are paralleled on both the French and English network.

Mr. LAMBERT: Do you utilize their films or productions?

Mr. JENNINGS: As individual programs and series.

Mr. SMITH (*Calgary South*): Mr. Bushnell, do you think this board should come under your responsibility?

Mr. BUSHNELL: No.

Mr. LAMBERT: Has there been any consideration given to cooperation or amalgamation of the production side?

Mr. BUSHNELL: We have enough headaches without that.

Mr. PICKERSGILL: I would like to put a supplementary question. I must say that I do not take any offence at Mr. Bushnell's reflection upon an agency for which I used to be responsible.

Mr. BUSHNELL: There is no reflection intended.

Mr. PICKERSGILL: I wonder if enough really serious consideration has been given to the fact we have in the National Film Board one of the best equipped—at least so I was told when I asked parliament for the money—one of the best equipped production agencies in the country; and whether there is enough effort made to see that it is adequately used for all the public services?

Mr. BUSHNELL: I think the answer to that is, yes. We have a liaison committee and work very closely with the National Film Board. Then, again, there is this problem of the C.B.C. giving too much work, if you like, to the National Film because, as you know, there are a great many commercial film organizations in this country and they just do not like it. As a matter of fact, we had them down here this week complaining bitterly about the fact we were cooperating too freely with the National Film Board.

The other fact is, I think, the National Film Board—at least this has been my experience in talking to some of the senior officials—is pretty well occupied with its own work.

At one time, I think when Mr. Arthur Irwin was head of the National Film Board, I personally, and some of my colleagues, had a meeting with him and we asked him about taking on the job of some of our film processing and work of that kind. He said, "I am sorry, Mr. Bushnell, we just cannot do it."

Mr. PICKERSGILL: It was not the point of giving your work to the National Film Board I was on; the point I had in mind was that a lot of public money is invested in that plant. What I want to be as sure of as one can be is that that capital and facilities were being used fully completely; and I would not envisage it as being impossible that the C.B.C. itself might use part of those facilities. I do not mean, giving the National Film Board programs to make, but making sure those facilities are adequately used so that the taxpayers are getting full value for their money.

The CHAIRMAN: We will have to leave it on that note.

Mr. ROULEAU: I would like to make a suggestion for the steering committee. Since some of us are more familiar with the activities of the French network, while others are more familiar with the activities of the English network, would it be possible to set up a subcommittee to study the activities of the French network? In our province, at least, we have a lot of criticism against the C.B.C. French network. I would think it would be a good thing to have that committee.

The CHAIRMAN: We will take that up at the subcommittee, consisting of Messrs. Pickersgill, Chambers, Fisher, Campeau and Bell.

Mr. ROBICHAUD: Very well.

Mr. PICKERSGILL: I am sure Mr. Mitchell would not object, though he is not here, if at the subcommittee Mr. Robichaud could come instead of Mr. Mitchell.

The CHAIRMAN: By all means. We shall adjourn until Thursday of this week, at 9.30 a.m.

## (Appendix A)

**Record Audience for Election Coverage 1958**

An estimated national audience of 7,860,000 persons witnessed the live CBC television and radio—CBC and private—coverage of the election results between 9:00 and 10:00 p.m., E.S.T., March 31. This figure was obtained by Elliott-Haynes Ltd in a coincidental telephone survey conducted during the most convenient hour for measuring simultaneously audiences in five time zones from Sydney to Victoria.

This national audience was composed of a television audience of 5,786,000 persons and a radio audience totalling 2,074,000 persons who were reached by the CBC and private-station broadcasts in English and French during the measured hour. The CBC telecast was viewed by 4,014,000 persons in 1,295,000 English-language households and by 1,770,000 persons in 492,000 French-language households. A cumulative total of 4.2 millions had viewed the full evening CBC television coverage of last year's election.

English-language radio listeners amounted to 1,581,000 persons in 565,000 homes while the French-language radio audience was calculated to be 493,000 persons in 149,000 homes.

Keenest interest in the election coverage was registered in the Prairies where TV ratings reached 85 per cent between 9:00 and 9:30 p.m., local time. Interest in the Maritimes and amongst French-language viewers in Ontario and Quebec was at about the same level, with ratings at the 70 per cent mark.

Ratings for English-language viewers in Central Canada were lower, averaging in the mid-50 per cent area. About one-quarter of the potential audience in the Central region, probably concentrated in southern Ontario, preferred viewing television programs from nearby United States stations.

In British Columbia the simultaneous measuring period of 9:00 to 10:00 p.m., E.S.T., was of course three hours earlier by local (Pacific Standard) time. A low rating of 22 per cent of all TV homes viewing was recorded during the evening meal period though radio listening at this time was higher than anywhere else in Canada. As the evening wore on, TV viewing increased and radio listening decreased in British Columbia.

**Growth of Audiences for the Following  
Canadian Produced Television Programs**

English Network Programs	Number of TV Homes Viewing			
	1958		1959	
	February	January	February	March
	(000)	(000)	(000)	(000)
Front Page Challenge	860	1,350	1,330	1,275
Folio*	370	660	620	580
Close-Up*	290	650	780	690
G.M. Presents*	720	800	970	860
Cannonball	950**	1,320	1,280	1,260
Country Hoedown	800	1,000	1,070	1,020
'Cross-Canada Hit Parade*	650	970	1,010	940
N.H.L. Hockey	950	1,110	1,120	1,120
Showtime*	500	920	1,000	940
French Network Programs	Jan.-Mar.	Dec.	- Apr.	
	1958 (000)	1958 (000)	1959 (000)	
Music-Hall	632	688	634	
La Famille Plouffe	661	765	778	
L'heure des Quilles	393	527	511	
Le Point d'interrogation	479	577	597	

\* The increase in the number of TV homes viewing may be due to changes in program scheduling.

\*\*Tugboat Annie scheduled.

Source: International Surveys Ltd.

May 14, 1959.

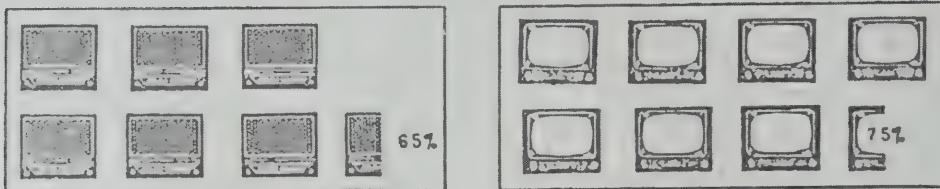
PERCENTAGE OF CBC RADIO AND TELEVISION  
NETWORK BROADCASTING  
BY BROAD FUNCTION  
(Estimated)

SAMPLE WEEK SUMMER 1958

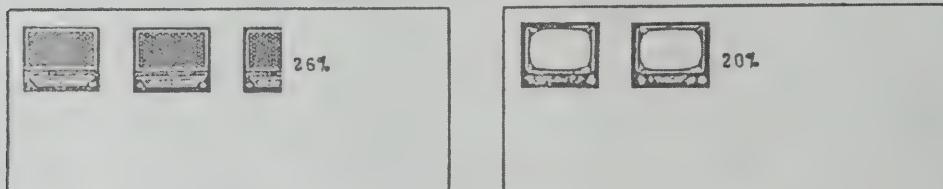
Radio

Television

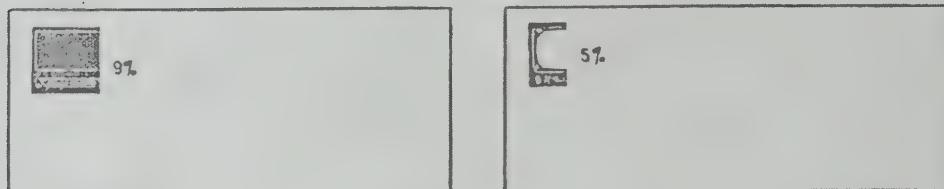
PREDOMINANTLY ENTERTAINMENT



PREDOMINANTLY INFORMATION

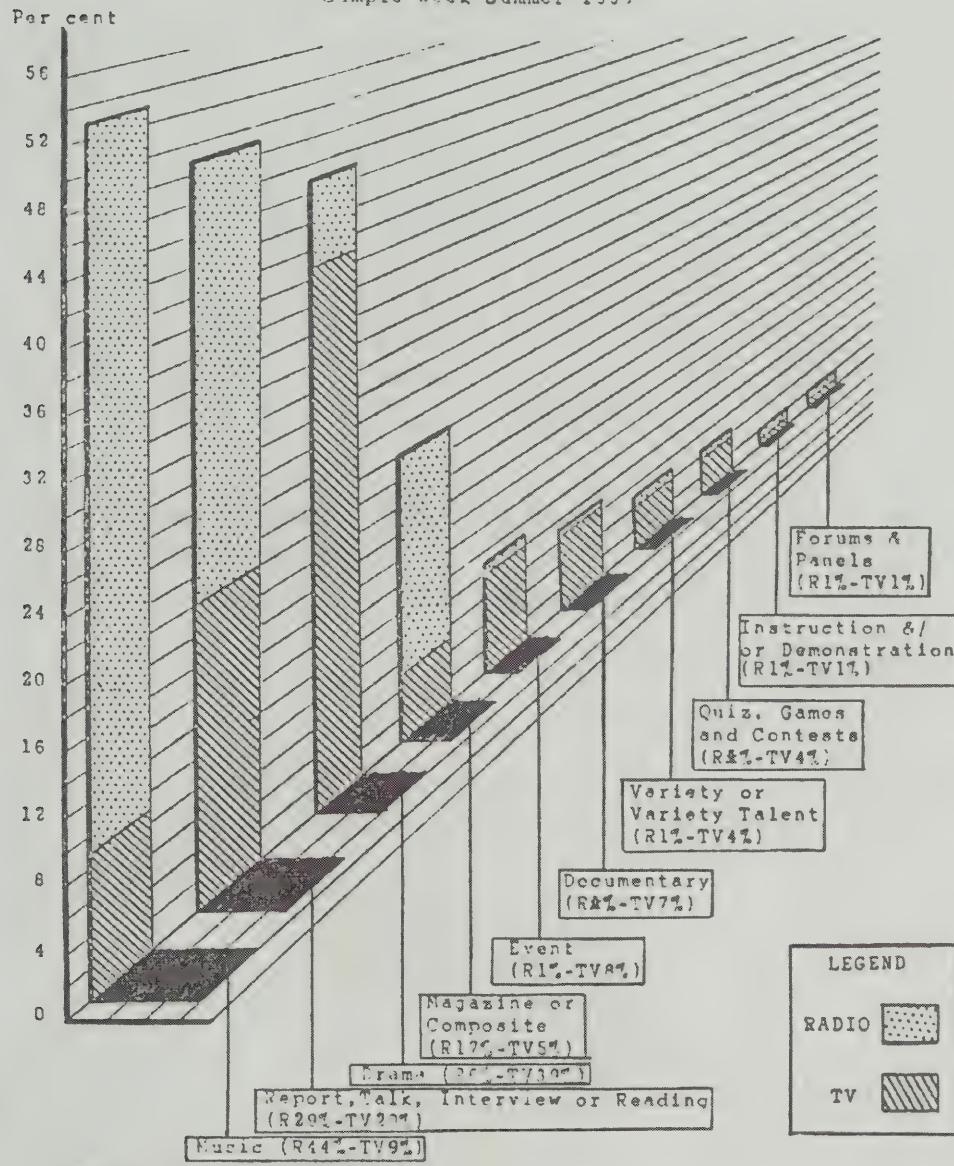


PREDOMINANTLY IDEA OR OPINION



Source: Tables R5a and T4a

PERCENTAGE OF CBC RADIO AND TELEVISION NETWORK BROADCASTING  
By Form Of Communication  
(Estimated)  
Sample Week Summer 1959



Source: Tables R6 and T5a  
& Less than 1 per cent.



CA1  
XC3  
1959  
B 65

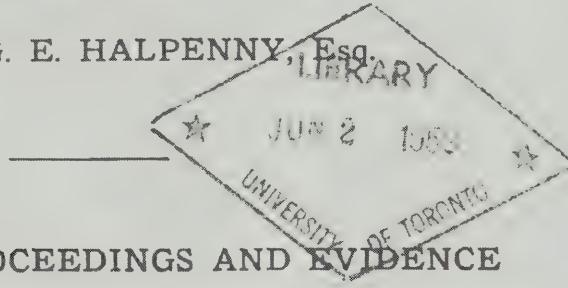
## HOUSE OF COMMONS

Government  
Publications

Second Session—Twenty-fourth Parliament  
1959

SPECIAL COMMITTEE ON  
**BROADCASTING**

Chairman: G. E. HALPENNY, Esq.



MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

THURSDAY, MAY 21, 1959

# CANADIAN BROADCASTING CORPORATION

**WITNESSES:**

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;  
and Charles Jennings, Controller of Broadcasting.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* G. E. Halpenny, Esq.

*Vice-Chairman:* J. Flynn, Esq.

and Messrs.

Miss Aitken,	Fortin,	McQuillan,
R. A. Bell (Carleton),	Horner ( <i>Jasper-Edson</i> ),	Nowlan,
Tom Bell ( <i>Saint John-Albert</i> ),	Jung,	Pickersgill,
Brassard ( <i>Lapointe</i> ),	Kucherepa,	Pratt,
Campeau,	Lambert,	Richard ( <i>Ottawa East</i> ),
Chambers,	Macquarrie,	Robichaud,
Chown.	Mitchell,	Rouleau,
Dorion,	Morris,	Simpson,
Fairfield,	McCleave,	Smith ( <i>Calgary South</i> ),
Fisher,	McGrath,	Smith ( <i>Simcoe North</i> ),
Forgie,	McIntosh,	Tremblay—33.

J. E. O'CONNOR,

*Clerk of the Committee.*

## MINUTES OF PROCEEDINGS

THURSDAY, May 21, 1959.

The Special Committee on Broadcasting met at 9.30 a.m. this day, the Chairman, Mr. Halpenny, presiding.

*Members present:* Miss Aitken; Messrs. Bell (Carleton), Bell (Saint John-Albert), Chambers, Dorion, Fairfield, Fisher, Flynn, Forgie, Halpenny, Horner (Jasper-Edson), Kucherepa, Lambert, Macquarrie, Morris, McCleave, McIntosh, Pickersgill, Pratt, Richard (Ottawa East), Robichaud, Simpson, Smith (Calgary South), Smith (Simcoe North), and Tremblay. (25)

*In attendance:* Mr. E. L. Bushnell, Acting President of Canadian Broadcasting Corporation, assisted by Messrs. R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; Charles Jennings, Controller of Broadcasting; Marcel Ouimet, Deputy Controller of Broadcasting; J. P. Gilmore, Controller of Operations; Marcel Carter, Controller of Management, Planning and Development; R. C. Fraser, Director, Public Relations; R. E. Keddy, Director of Organization; Barry MacDonald, Secretary, Board of Directors; J. A. Halbert, Assistant Secretary, Board of Directors.

The Chairman observed the presence of quorum and reported to the Committee that a proposed motion, to subdivide the Committee's study of the Canadian Broadcasting Corporation by separating consideration of the English network services from the French language service and referring the latter to a specially designated operational subcommittee, was discussed and referred to the Speaker for consideration and advice.

The Chairman also expressed the opinion that as all members of the Committee were equally interested in studying the programming of the French language network, the Committee should first complete its consideration of the English network services and then devote whatever time is necessary to a thorough study of the French language service.

Mr. Bushnell elaborated on a statement he made at the Committee's last meeting held Tuesday, May 19 with regard to the broadcasting of a coming sports event, and was questioned concerning the Corporation's relations with various sports bodies and its attitude towards sports in general.

Following the answering of certain questions asked at previous meetings concerning fees paid to guest speakers and commentators, Mr. Bushnell tabled for inclusion as appendices to today's printed proceedings the following documents:

1. C.B.C. Television Program Cost and Revenue Notes (*See Appendix A*)
2. C.B.C. Gross Revenue for Past Five Years (*See Appendix B*)
3. A Chart and Explanation of the Administration of a Sample Television Program (*See Appendix C*)
4. C.B.C. News Directives and Style Guides (*See Appendix D*)
5. Copy of a letter from Mr. P. S. Ross & Sons, Chartered Accountants, to the General Manager, Canadian Broadcasting Corporation, dated May 1, 1958 (*See Appendix E*)

Messrs. Bushnell and Jennings were questioned concerning the objectivity and impartiality of C.B.C. News programs, and Mr. Jennings read a statement regarding relations between the Corporation and privately-owned stations, dealing with option time and radio reserved time.

Copies of C.B.C. Times were distributed to members of the Committee.

At 10.55 a.m. the Committee adjourned to meet again at 11.00 a.m. on Tuesday, May 26, 1959.

J. E. O'CONNOR,  
*Clerk of the Committee.*

NOTE: *Text of the Proceedings recorded in the French language appears immediately following this day's Evidence.*

REMARQUE: *Le texte des témoignages recueillis en français figure immédiatement à la suite du compte rendu des délibérations de la séance d'aujourd'hui.*

## EVIDENCE

THURSDAY, May 21, 1959.  
9.30 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. As we promised you at the last meeting we do have French interpreters and reporters here this morning.

We had a meeting of the steering committee yesterday afternoon, and it was decided to recommend to the committee that we continue the questioning on English programming and then, when we have completed the English programs, we will proceed with the French network. I think in that manner we can save a considerable amount of time.

The steering committee feels that the reason for that is that the rest of Canada is just as interested in what is happening in French-speaking Canada as are the people in French-speaking Canada.

Is that agreeable to the committee?

Agreed.

Mr. SMITH (*Calgary South*): May I ask a question, Mr. Chairman?

The CHAIRMAN: If I might just continue. Our French questioning will be reported in the same way as in the Estimates Committee. That is, if it is in French it will be translated into English on the spot. It goes into the record in English, with the French appearing in the appendix.

Is that agreeable to every person?

Agreed.

The CHAIRMAN: We had a proposal submitted to the steering committee by Mr. Rouleau. I do not think it is necessary to read it, but I have sent it down to Mr. Speaker for a decision, and he has promised to give me a decision on the proposal as soon as possible. Would you like it read?

Mr. PICKERSGILL: I think it should be read.

The CHAIRMAN:

Whereas the Canadian Broadcasting Corporation comprises two separate networks, one in the English language and the other in the French language;

Whereas those two networks are dealt with separately in the report submitted by Mr. Bushnell to the parliamentary committee set up to inquire into the corporation's activities;

Whereas the direct management of the French network is distinct from that of the English network;

Whereas each network has its own distinct services and programs;

Whereas it would be desirable and logical for the parliamentary inquiry to bear on both networks;

Whereas the purposes of the inquiry would be better achieved by dividing the parliamentary committee in two sections;

Consequently, it is moved by Mr. Guy Rouleau, M.P. for Dollard, seconded by Mr. Noel Dorion, M.P. for Bellechasse—

This was signed by Mr. Guy Rouleau, but as yet I have not had any letter, signature or other indication from Mr. Noel Dorion, as to his intentions.

—that the parliamentary committee, for the purposes of its inquiry, set up a subcommittee which will consider more specifically the operations and activities of the C.B.C. French network, and that, accordingly, the said committee submit this request to parliament.

As I stated, I have already sent that to the Speaker for a decision, and he has promised me a decision very shortly.

If it is agreeable to the committee, I think we will start off with a short statement from Mr. Bushnell. I know he wishes to file some of the information you have asked for.

Mr. ERNEST BUSHNELL (*Vice President, Canadian Broadcasting Corporation*): Thank you, Mr. Chairman. There is one point that I would like to clear up. I think a reference was made last Tuesday to the Moore-Durelle fight, and an observation I made has been interpreted rather widely in certain parts of Canada, at least. I have been so informed. I would like to make it clear as to what my intention was when I made the statement.

The transcript reads:

If Mr. Quinn does not come around as far as Ottawa is concerned, and remove it from the blackout list, there is going to be trouble.

I am not backing away from that for one minute. I happen to live in Ottawa, and if that fight does not come into Ottawa I am going to hike somewhere near the North Pole; and that is what I meant. I mean, if it does not come into Ottawa and some other cities—Quebec City and Kingston, for example—the C.B.C. is going to be in trouble; and, quite frankly, unless the blackout restrictions are removed in certain areas we are certainly going to take a very serious second look as to whether we carry the fight in other parts of Canada at the price asked for by Mr. Quinn.

I hope that clears that up.

Mr. PICKERSGILL: I would like to put a question on what has been said. Some of us are rather unsophisticated about these things, and I happen to be one. I wish Mr. Bushnell would explain to us what this blackout business means. I do not know enough about the background of it.

Mr. BUSHNELL: It means, simply this—

Mr. PICKERSGILL: You will have to start with the A. B. C. in this thing.

Mr. BUSHNELL: All right. The "A" is the place of origin, which will be in Montreal; the C.B.C. will televise that fight from there. It will then be distributed over its networks in both French and English; but Mr. Quinn is insisting that it will not be televised over the transmitters of CBMT, CBFT, the Sherbrooke station, either of the Ottawa television stations, or the Kingston station.

All the blackout means is that we simple do not transmit a particular item in any of those areas. That would remove from our potential audience well over a million people.

Mr. SMITH (*Calgary South*): I was going to say, Mr. Bushnell, while you are commenting on this situation, could you bring us up to date on a similar situation? That is to say, with regard to your negotiations on the broadcasting of the Big Four football? You have the same difficulty, I understand?

Mr. BUSHNELL: Yes, we have the same difficulty, but to a somewhat lesser extent. Actually, the blackouts imposed upon us by the I.R.F.U., commonly referred to as the Big Four, and the W.I.F.U., the western conference, are not as extensive as those required or apparently being requested by Mr. Quinn. Let us take the west, for example: if we are making a pickup out of Winnipeg, let us say, then our Winnipeg station cannot televise that game.

Mr. SMITH (*Calgary South*): You have not yet reached an agreement, but you are satisfied that you will?

Mr. BUSHNELL: We have reached it.

The CHAIRMAN: You have a question, Mr. Bell?

Mr. BELL (*Carleton*): I was going to follow the same line.

The CHAIRMAN: Mr. McIntosh, I know you had a question.

Mr. MCINTOSH: You have made quite a statement, Mr. Bushnell. What control have you over Mr. Quinn picking it up and televising it to the United States? Supposing that he did not agree and said there is going to be a black-out in Canada, what control have you over him?

Mr. BUSHNELL: I think, Mr. McIntosh, we have considerable control in this sense, that it will be a matter of negotiation with respect to price.

Mr. MCINTOSH: But can you prohibit him from picking that up in Montreal and telecasting it in the United States?

Mr. BUSHNELL: Oh no.

The CHAIRMAN: Would they have to use your basic services in Montreal?

Mr. BUSHNELL: We have been supplying those services to—

The CHAIRMAN: N.B.C. or C.B.S.?

Mr. BUSHNELL: A.B.C., actually.

Mr. FISHER: It is customary, in telecasting, both to a degree in Britain and also here, to blackout in local areas from which it is possible to draw people; and certainly Ottawa is within range, for people driving out, seeing the fight and driving back to Ottawa. There is the promoter's side to it.

Mr. BUSHNELL: There are always two sides to every question, I grant you that.

Mr. SIMPSON: Supplementary to Mr. Smith's question: in relation to football broadcasts, do you run into any difficulty whatsoever in relation to blackouts required by associations in regard to Grey Cup games?

Mr. BUSHNELL: No.

Mr. SIMPSON: None whatsoever?

Mr. BUSHNELL: None whatsoever.

Mr. PRATT: May I ask a question supplementary to this?

Mr. Bushnell, are the international facilities controlled by C.B.C. or Bell Telephone in the area, say, Montreal, Plattsburg, Burlington or whatever it is?

Mr. BUSHNELL: They are controlled by the Bell Telephone, I imagine in conjunction with A.T.&T. in the United States.

Mr. SIMPSON: While we are on this angle of broadcasting sporting events, have the C.B.C. looked into the possibilities or investigated the possibilities of carrying the game of the week from the major baseball league?

Mr. BUSHNELL: Yes, we have. This is on television, you mean?

Mr. SIMPSON: On television, yes.

Mr. BUSHNELL: Yes, we have looked into it, and I must confess that I just cannot give you the reasons why we are not able to carry it. Probably Mr. Jennings might; I do not know; but I know we have had to turn it down.

Mr. JENNINGS: We could not carry it on a regular basis last year because on Saturday afternoons the television schedule was broken into by so many other things—the Queen's Plate, other races and things like that. But this year we are trying to see whether we can get in as many as can be admitted into the schedule. This turns on the many things we have discussed with the private television stations at our program committee meetings. There is a great desire for this game on Saturday afternoon, and I hope we can get it this summer.

Mr. SMITH (*Calgary South*): When would it be started?

Mr. JENNINGS: I will let you know later.

Mr. SIMPSON: It may be possible to take them all?

Mr. JENNINGS: We cannot take them all.

Mr. SIMPSON: But it may be possible to take intermittent ones?

Mr. JENNINGS: Yes, the odd one.

Mr. KUCHEREPA: Can you see any strict policy relevant to black-outs, having to do with a particular team in the league itself? I am thinking more of Toronto and Hamilton, where they have a black-out in the Toronto area when the Argonauts are playing in Hamilton.

Mr. BUSHNELL: That is correct.

Mr. KUCHEREPA: Is there any firm policy as far as the C.B.C. is concerned?

Mr. BUSHNELL: It is not a C.B.C. policy, but the policy of the league.

Mr. KUCHEREPA: But in negotiations the C.B.C. has something to say as to how far this black-out goes?

Mr. BUSHNELL: I am afraid we have very little to say.

Mr. KUCHEREPA: How far does the black-out go?

Mr. BUSHNELL: If Toronto is playing in Hamilton, for instance, the black-out extends to Toronto, Hamilton, Barrie and Kitchener.

Mr. KUCHEREPA: In the area of?

Mr. JENNINGS: An area of 75 miles; approximately a 75-mile radius from the point of pickup.

Mr. PICKERSGILL: There is one other question I have, and that is this: there was some suggestion made—and I forgot who made it—that this fight in Montreal could be picked up by an American network and broadcast in the United States. This may not be a proper question for the C.B.C. at all, but for the B.B.G.; but what would be the legal situation about that? Can American networks come in and pick up anything like that in Canada and broadcast it in the United States, or is there any control? This is really for information.

Mr. McCLEAVE: That would be for the B.B.G., I suggest, Mr. Chairman.

Mr. JENNINGS: I think that is something the B.B.G. will have to take a look at. We have not prohibited that in the past to any great extent.

Mr. PICKERSGILL: The question is, could you; and it is not whether you have in the past.

Mr. JENNINGS: Could we?

Mr. PICKERSGILL: Yes, could you?

Mr. JENNINGS: In fact, I cannot answer that.

Mr. CHAMBERS: In fact, they use your cameras?

Mr. BUSHNELL: We supply them, at a price.

Mr. PICKERSGILL: But I am asking about the legal situation.

Mr. McINTOSH: You answered my question "no", and that is the same question.

The CHAIRMAN: I think that is a question for the B.B.G.

Mr. PICKERSGILL: I will be quite happy to leave it to them.

Mr. SIMPSON: This may be more off the track, but could we have some information on the policy of the C.B.C. in relation to the same type of broadcasting if somebody, the promoter or somebody else, wants to sell the rights for closed circuits, such as in theatres? What does that come under?

Mr. BUSHNELL: There is nothing to prevent him that I am aware of. That is not broadcasting.

Mr. SIMPSON: No, it is not broadcasting.

Mr. BUSHNELL: It does not come under the C.B.C., and I would not think it comes under the B.B.G.; and I doubt if it comes under the Department of Transport.

The CHAIRMAN: If any place, it would come under the Department of Transport?

Mr. BUSHNELL: Yes, if any place.

The CHAIRMAN: Mr. Bushnell?

Mr. BUSHNELL: Thank you, Mr. Chairman. I think last Friday Mr. Simpson asked for figures indicative of the ranges of fees paid to speakers and those participating in interviews. I take it, Mr. Simpson, you are mainly interested in television?

Mr. SIMPSON: That is right.

Mr. BUSHNELL: In reply, I would advise that the speakers who appear in half-hour programs—such as Citizens' Forum, Fighting Words, Press Conference, Les Idées en Marche, Prise de Bec, Rencontre—are paid a fee range of \$50-\$75. For shorter programs the range is \$30-\$60. For chairman and speakers appearing on other half-hour programs the fee depends to some extent on the degreee and nature of their participation. That is, if they are demonstrating some article, either the article itself or graphically, the fee is somewhat higher. It ranges from \$50 to \$200.

I think it might be of interest to make a comparison of these various ranges with the last report I gave to this committee, in 1955.

Radio talks: half-hour talks, of which there are comparatively few, the range today is from \$90 to \$140; and in April 1955, from \$75 to \$125. Quarter-hour talks, today \$40 to \$75; and in 1955, \$35 to \$60. Ten-minute talks, today the range is \$30 to \$50; and in 1955, \$25 to \$50. Five-minute talks, today \$20 to \$35; and in 1955, \$15 to \$30. Two or three-minute talks, \$15 to \$25; and it was the same price in 1955.

The CHAIRMAN: If you bring a speaker in from another area, do you pay expenses in addition to that; travelling expenses that is?

Mr. BUSHNELL: Yes, in some cases. In some cases, it is an all-embracing arrangement. We might pay him a higher fee and let him pay his own expenses, but in most cases we actually arrange a definite fee in advance and pay the ordinary travelling expenses.

Mr. BELL (Carleton): Including Lady Docker and Randolph Churchill?

Mr. SMITH (Calgary South): This range is very small, I recognize that, but I would be curious to know how you determine the range. For instance, what is the basis upon which somebody gets \$50 and someone else gets \$75?

Mr. BUSHNELL: Well, that is done largely, I should imagine, by negotiation. We try to get him at the lowest possible price, but if we cannot and we want someone very badly we might go a little higher.

Mr. FISHER: Am I correct in assuming that the members in the provincial legislature or at federal level do not get any recompense for appearing on public affairs programs of any kind?

Mr. BUSHNELL: I could comment on that, but having been told once or twice before that my remarks were facetious, I am not going to say anything now.

Mr. PICKERSGILL: I was going to ask Mr. Bushnell if the victims of Press Conference were ever paid any fees.

Mr. BUSHNELL: No; as a matter of fact we feel, Mr. Pickersgill, it is rather the other way around, that for the privilege of being on Press Conference we should ask them to pay us for the time; but we do not.

MISS AITKEN: Could we have an estimate of what the entire cost of a program like Front Page Challenge or One of a Kind is?

Mr. BUSHNELL: I think we are coming to that in a moment, Miss Aitken, not in specific terms, but in a general way, and I think the information you are asking for will be made available later.

The CHAIRMAN: Mr. Simpson?

Mr. SIMPSON: In relation to the speakers, and expenses for bringing in the speakers, have the C.B.C. a scale or set regulations of expenses, or do the speakers coming in put in an expense account?

Mr. BUSHNELL: In our negotiations with them we give them a rough idea. We certainly put a limit on them. In other words, they cannot go and hire three suites in the Royal York Hotel, if you like. But for important persons, we give them what we consider to be adequate remuneration for their expenses; and, as a matter of fact—like the rest of us—they have to turn in vouchers for moneys paid out.

Mr. FISHER: I want to ask some questions about the roster which you tend to keep for public affairs broadcasts, and I ask the questions with this point in mind, that I think, by a too narrow selection, you may lead to two things: that is, a certain bitterness amongst people in the fourth estate and, secondly, those people, because of the amount of income they get from the C.B.C., may be prejudicing their freedom of comment in other ways.

Can you indicate what your plans are to expand the scope of the number of people you are using on public affairs broadcasts; and when are you going to consider very seriously the hiring of some of those people that you think are top notchers on a permanent basis, making them C.B.C. employees and giving them the chance to move?

Mr. BUSHNELL: I think Mr. Jennings covered that in part, and I think it will be also covered more substantially when we table the list of speakers that we have used on these various programs of opinion throughout the year. We have definite plans for expanding the roster; but, as Mr. Jennings explained—I think to you—the other day, there are very practical and very real difficulties.

There are some newspapers, actually, who certainly do not want their representatives, their journalists, their columnists, to take part in television or radio broadcasts. There are others—and I know of one, who has told me that he would be frightened to death to appear before a television camera; he simply will not do it.

There are others, actually, who, for one reason or another have not the time, and they simply say that the fees we pay are not adequate to recompense them for the time they have to spend. Those are some of the practical difficulties that we have.

Mr. FISHER: What do you say about the point of getting them into your employ, or developing your own employees in this field?

Mr. BUSHNELL: We have several observers and commentators in other capitals of the world, and we have been giving serious consideration, to appointing someone to cover Ottawa.

Mr. FISHER: Just one?

Mr. BUSHNELL: Actually, at the moment we have a small news department here; but probably one, maybe two—certainly it would have to be two; one in the French language and one in the English language—and we just have not yet found the right man. Actually, we could find the right man if we could pay him enough money.

Mr. FISHER: Are there not indications that you could find the right man if—as Mr. Jennings says—some people you have found are more photogenic, more presentable, and better than others?

Mr. BUSHNELL: That is a matter of personal choice with them, whether they want to leave their publication and join the C.B.C., which might be a little bit precarious.

Mr. McCLEAVE: Why publication?

Mr. FISHER: I have heard a lot of people complain very strenuously about the fact that Maclean's and Chatelaine seem to get very much advertising, because people are introduced as "so and so of Maclean's". Is that aspect of it necessary?

Mr. BUSHNELL: That is a condition, actually. The publishers of that paper and that magazine insist that their representatives should be identified.

Mr. FISHER: Are you aware of the criticisms that keep coming up, for example in the Thompson newspapers, on this very theme?

Mr. BUSHNELL: I certainly am.

Mr. FISHER: Well, I wish you would consider very seriously ways of meeting that criticism.

Mr. McCLEAVE: Mr. Chairman, these are questions which put the parliamentary committee spotlight on Close-Up, and I hope Mr. Bushnell and Mr. Jennings can get the answers to them for some time next week.

Mr. CHAMBERS: Mr. Chairman, I have a supplemental question on this.

The CHAIRMAN: If it is a supplemental question, all right.

Mr. CHAMBERS: You were thinking of putting one or more persons on the news staff in Ottawa. Would this be as a news reporter, or as a commentator?

Mr. BUSHNELL: A news reporter only.

Mr. CHAMBERS: Because I think the idea of having a "tame" commentator in the C.B.C. would be very dangerous.

Mr. PICKERSGILL: Mr. Chairman, I have a supplemental question and it is very much along the same line as Mr. Chambers' question, but I would like to pursue the thing a little further.

I would like to be told what advantage the C.B.C. sees in having even a news reporter. I understand that over past years the C.B.C. has always prided itself on getting its news from the news services and keeping itself out of this really quite dangerous field of even reporting news. I just wondered why it was you now feel there should be a change in this policy.

Mr. BUSHNELL: We recognize the dangers, Mr. Pickersgill, and we do get a great flow of news from the regular news services. But we feel that with a representative of the C.B.C. on the job it would not be necessary always for him to do the direct news reporting, but he would then be in a position to inform our news editors in Toronto, Montreal and elsewhere with respect to background on certain items that may not have been covered too fully by the press services.

Mr. FISHER: Is your reasoning on this that you cannot go into the news comment field because you are a public corporation? I am thinking with regard to the C.B.C., of Eric Sevaried and the role that Elmer Davis once played.

Mr. BUSHNELL: We feel that should be done by people who are not employees of C.B.C.

Some Hon. MEMBERS: Hear, hear.

Mr. BELL (Carleton): May I ask a question, Mr. Chairman? I am not saying that I personally feel that this word should be spread around; but is there not a great deal of validity in the fact that certain members of the press gallery have as great scope—and even as expert knowledge—as members of parliament; and therefore it would be impossible to get away from the fact that they would have these extra qualities and would, therefore, be more in demand than others?

Mr. BUSHNELL: That is quite correct.

Mr. PICKERSGILL: I am not really satisfied about the necessity of reporters—even news reporters—being attached to the C.B.C. I would really like to hear a reasoned answer to that very grave misgiving that I confess I have.

My feeling is that the Canadian Press—which is a cooperative agency, owned by all the newspapers in Canada—is an excellent news service, and that for the preservation of the political independence of the C.B.C. it would be very much better—unless they have some real complaints with regard to the Canadian Press—not to be entering this field and not to be duplicating this expenditure. We know all these services cost money. They are costing more money all the time, and it comes out of the taxpayer's pocket. I have grave doubts as to whether the public will get value for additional money spent in this field, when the Canadian Press and, for that matter, the other agencies, seem to me to be doing a pretty competent job.

I would really like to hear what the argument is on the other side. I am not saying I have a closed mind on this, but I have grave doubts about it.

Mr. SMITH (*Calgary South*): May I ask a question for clarification, Mr. Chairman? Is Mr. Pickersgill suggesting the complete elimination of the news service, or purely a repetition of the Canadian Press on television?

Mr. PICKERSGILL: The C.B.C., which has existed now since 1936 and which, until very recently, depended for its news source on the press agencies from whom it bought its services, according to my understanding is now embarking upon news gathering on its own in respect of the country, particularly here in parliament.

Mr. BELL (*Carleton*): That is not right.

Mr. JENNINGS: This man would not compile news as dispatches; he would voice reports on sound and film. This is the reason that we feel we want our own man here—to compile factual reports for radio and film reports for television. There is no difficulty.

Mr. PICKERSGILL: This does not come into the radio field at all, then?

Mr. JENNINGS: Yes; this man will report for radio and for television.

Mr. PRATT: Am I right in assuming that this man would be a broadcasting technician, rather than a news technician?

Mr. JENNINGS: He would be definitely a reporter.

Mr. PRATT: I gather from your words that he would be primarily a broadcasting technician, and that the reporting ability is secondary. That is the answer to Mr. Pickersgill's question, as I understand it.

Mr. PICKERSGILL: The answer does not satisfy me. I still have very grave misgivings.

The CHAIRMAN: What kind of an answer would you like, Mr. Pickersgill?

Mr. PICKERSGILL: I think we ought to pay some attention to the taxpayer's money that is being spent, and I fail to see that there is any need for the C.B.C. to enter this field. Again, I would say I am not prejudging the question, but no argument I have heard yet has convinced me that this departure is a wise one.

Mr. BUSHNELL: Mr. Pickersgill, would you be so kind as to permit us just to give the matter a little more thought?

Mr. PICKERSGILL: I would be very happy.

Mr. SMITH (*Calgary South*): Mr. Chairman, I add a little support to Mr. Pickersgill's remarks. I think that on occasion a newscaster goes beyond his responsibility of quoting wire service and the old-fashioned habit, I suppose, of making news interesting is inclined to be almost slanted. Inasmuch as there are samples of that, it is, to a very substantial degree, in sympathy with the opinion expressed by Mr. Pickersgill.

Mr. BELL (Carleton): Mr. Chairman, I share Mr. Pickersgill's misgivings in relation to this, although I would like to keep an open mind until Mr. Bushnell has had an opportunity of presenting a considered statement to the committee.

Mr. PICKERSGILL: I feel exactly the same way.

The CHAIRMAN: You mentioned, Mr. Pickersgill, the saving of money, as if that were a personal trait. I think every person on this committee has that feeling; we would all like to save the taxpayers' money.

Mr. PICKERSGILL: I am not claiming any monopoly in any field.

Mr. CHAMBERS: The Canadian Press provides, of course, excellent service, but it is true that all they provide is wire service. Anything like a television interview of a news source, in Ottawa or elsewhere—or a radio recorded interview in Ottawa or elsewhere—is not and cannot be provided by the Canadian Press; it has to be supplemented by something, surely. I would be interested in hearing what the C.B.C. has to say.

Mr. FISHER: Is not the major cost factor in producing this sort of thing the question of cameras and facilities rather than the reporter?

Mr. BUSHNELL: Yes.

Mr. FISHER: So, in essence, the objection, from the point of view of cost is nonsense.

The CHAIRMAN: Gentlemen, may we leave that now until Mr. Bushnell has had time to prepare an answer on this?

Mr. McCLEAVE: I have two questions with regard to the television program Close-Up. The first is, was Miss Sylvia Murphy paid for her guest interview—that is, for appearing as a guest on the program—some time towards the end of the winter?

The second question concerns the appearance of Charles Templeton on Close-Up on the night of May 6, when I understand the interview was done from New York by Pierre Berton with Vance Packard on motivational research. Mr. Templeton made a brief appearance at the end of that program to answer some questions. I am interested in how he got to New York, whether the C.B.C. paid his way there, whether they paid his hotel expenses, and whether they paid for his appearance on that program.

Mr. BUSHNELL: May I answer that question later?

The CHAIRMAN: There are one or two members who wish to ask questions, but Mr. Bushnell still has a part of his statement to read, so perhaps, gentlemen, you will hold your questions until he has concluded.

Mr. BUSHNELL: I think it was on Tuesday that Mr. Robichaud asked questions about the requirements of the corporation in respect to release of network programs by affiliated radio and television stations. At that meeting I outlined how we meet semi-annually with our television affiliates and it was indicated that there is a joint C.B.C.-affiliate station program committee which works as required between meetings with affiliated stations. One of the recent achievements of this program committee is a plan for "option time", as we call the document covering the basis of reserving time for television network programs on stations affiliated to the network.

In my opening statement I recounted how the government in the fall of 1952 decided that private stations would be licensed on condition, as recommended by the Massey commission, that they release national television program service in the areas since the Canadian system was to be one of single stations. At that time the C.B.C. informed prospective licensees that they could count on a minimum of ten and one-half hours of network service. From this minimum through actual practice over the last six years, affiliated stations have carried from the network more and more service, averaging approximately 40 hours a week in the last year.

It was agreed that there should be a more clearcut modus operandi—over the years at the start of each program season, stations were advised of the option time for the season and negotiated concerning commercial network programs to be scheduled. The result was the committee study I mentioned a moment ago. On March 20 at a general television affiliate meeting there was agreement to the plan put forward which provided for the division of the broadcast day into time classifications A, B, and C. This was done on the premise that the network and the station should have opportunity to serve the various audiences during the broadcast day. The resulting network option time plan divides the class times as follows:

Class 'A'—(36 hours—6:00-11:00 p.m. Monday to Saturday  
 5:00-11:00 p.m. Sunday)  
 Network—20:30 hrs.  
 That is evening or night time.  
 Affiliates 15:30 hours.

Class 'B' is late afternoon time. Class 'C' is any other time, morning, afternoon and night—anything like that. I have a tabulation here which sets out these classes and hours, which could be included in your record, if you wish.

The CHAIRMAN: Is that agreed, gentlemen?

Agreed.

Mr. BUSHNELL:

Affiliates 15:30 hrs.  
 Class 'B'—(14 hours—1:00-6:00 p.m. Saturday  
 1:00-5:00 p.m. Sunday  
 5:00-6:00 p.m. Monday to Friday)  
 Network— 7:00 hrs.  
 Affiliates 7:00 hrs.

Class 'C'—53 hours (All other times back to 8:00 a.m. Mon.-Fri. and to  
 9:00 a.m. Saturday and Sunday)  
 Network— 26:30 hrs.  
 Affiliates 26:30 hrs.

Total	Class	A	B	C	Total
(103:00)					
	Network	20:30	7:00	26:30	54:00
	Stations	15:30	7:00	26:30	49:00
		36:00	14:00	53:00	103:00

This is the general basis of the plan. I am sure the committee will understand that there are ancillary provisions needed to cover exceptional circumstances in an operation as complex as scheduling programs for the television network across the Country. Some of these special clauses provide for scheduling of live actuality and other special programs which run for longer periods than are contemplated in the basic plan. Another provides that specific scheduling be reviewed at the Spring affiliates meeting each year and that the network undertakes to supply the affiliates with firm schedules by August 1st to take effect at the end of September.

Radio network requirements are set out in what we call 'reserved time' schedules. For the trans-Canada network, the reserved time requirements vary from 14:00 hours for the maritimes to 11:00 hours for the prairies, Ontario and Quebec and 10:15 hours for British Columbia. Most stations release a good deal more of the network service than is required by reserved time. The average at the present time is 27:34 hours per week.

For the French network, reserved time commitments total 12:21 hours. The average weekly network service carried by affiliated stations is approximately 30 hours.

On the dominion network, reserved time comes to 5:15 hours for the Maritimes and 5:00 hours for Ontario, Quebec and British Columbia. The average service released by Dominion stations works out to 13:57 hours a week.

How we figured that extra minute out, I do not know. It comes to about 14 hours a week out of a total of approximately 30 hours of network service available to them.

In radio it might be of interest if I explain that before the advent of television the trans-Canada and French networks through a combination of reserved time and sponsored network service there was a network obligation on affiliated stations of some 30 hours a week. At that time the average weekly hours of network service ran in the neighbourhood of 45 hours. Sponsorship of radio network programs has almost completely disappeared as a result of the impact of television in the United States and in this country. In the circumstances created by the Broadcasting Act, which imposes a network regulatory role on the board of broadcast governors, the Corporation is presently engaged in a thorough study of radio network operations and when the results of this study are available, proposes to discuss them as a new basis of affiliation with private stations connected with our networks as a preliminary to an official approach—jointly we hope—to the board of broadcast governors in this connection.

If I may go on, I would just like to outline for you the material which we have available today for distribution in reply, if you like, to the request of several members for certain information. I think it was Mr. Dick Bell who brought this up. I do not know whether or not he asked a specific question. You may recall, however, there was considerable discussion on the objectivity and impartiality of news. Mr. Bell asked if we would table regulations regarding balance and fairness of our newscasts. That material is here and I will ask Mr. Jennings to present later certain excerpts from the regulations which are widely distributed among our news editors and news writers.

The next item is the final letter from P.S. Ross and Sons. Then I believe Mr. Flynn asked for a table showing the gross revenues in respect of T.V. and radio for the last five years. That is available today.

Then, if I might refer to the letter Mr. O'Connor sent to me as a result of the discussions of the subcommittee, we have available today the program costs. I think that was something to which Miss Aitken referred. We shall be able to table this today. Mr. Gilmore will be able to give you a great deal of information. That is in respect of the English network. The French network will come later. I think your subcommittee was to decide on the month.

The CHAIRMAN: If we were, we neglected to do so. We shall do so.

Mr. SMITH (Calgary South): May I ask, as a matter of procedure—

The CHAIRMAN: Just a moment, please. Is it agreed we will have all these documents included as an appendix?

Agreed.

Mr. SMITH (Calgary South): Mr. Bushell mentioned we will have, as an example, Mr. Jennings to comment on the question of allocation of costs. My point is, do you propose to discuss this following his examination, or do we go back to finance, as you suggested before we take up this matter?

The CHAIRMAN: I think we could discuss it now, and later go back to finance.

Mr. BUSHNELL: I think Mr. Chambers asked for charts showing the administrative responsibility for programming. We have that available. I believe the question was in two or three parts. I think the explanatory notes attached to the chart will quite adequately cover the information sought.

The CHAIRMAN: Is it agreed this will be included as an appendix?  
Agreed.

The CHAIRMAN: All right, Mr. Tremblay.

Mr. TREMBLAY: (*Interpretation*) Mr. Chairman, we have been given tables here showing the cost of producing some of these programs, that is to say, the English programs. When in the near future we get similar cost production figures for some French programs, I now wish to say I am not satisfied with what we have before us. I do not accept this way of proceeding. We get general accounts and do not get any indication of what programs are involved.

So, Mr. Chairman, I would like to say what we have to judge is the quality of the program as it is related to the cost of the program. The taxpayers expect us, as their representatives to give them explanations on the cost of production and on the quality of these programs. So I cannot accept that we should get these general figures without any regard to the program involved.

Mr. Chairman, the radio committee was set up in order to make a general inquiry of C.B.C. administration practices. This followed upon numerous representations which had been made by the taxpayers. We simply cannot be really satisfied with these general explanations which are given to us. What we need to know are the costs of production in each particular case so that we may see if we really are getting our money's worth, so to speak.

Mr. SMITH (*Calgary South*): May I speak on a point of privilege. I do not suggest I necessarily disagree with Mr. Tremblay, but I merely remind you, Mr. Chairman, the steering committee decided they would request certain information. This information has been provided. You then suggested you would like to have Mr. Gilmore speak to it. I think in all fairness Mr. Gilmore should be permitted to do that and then we should determine whether or not we have received what we want.

When I asked for this information I indicated I would not be completely satisfied unless we received all we initially asked for. I think, however, Mr. Gilmore should be given an opportunity to speak.

The CHAIRMAN: I was going to say the same thing. I know you have a further question, Mr. Tremblay.

Mr. TREMBLAY: (*Interpretation*) Mr. Chairman, I regret I do not agree with Mr. Smith. I recall when we decided on the procedure referred to by Mr. Smith, our colleague, Mr. Fortin, said he would not submit to the decision of the advisory board, or advisory committee, if it was not what we wanted to know. I was in agreement with that.

The CHAIRMAN: Mr. Tremblay, the feeling of the steering committee was that we would ask the C.B.C. to give us, as we stated in this letter, the detailed costs compiled as soon as possible. This was to include production costs and administration expenses for ten unspecified one-hour and half-hour shows. We asked that they be identified as A, B, C, D, E, F, and so on. As Mr. Smith has said, he stated that he might not be satisfied with this. At least it is an attempt, however, on the part of the steering committee to cooperate with the C.B.C. If at the time you get the costs of the French-speaking shows you and Mr. Fortin, or any group, do not think they are sufficient, then at that time I would suggest a motion be made to this committee. Would that be satisfactory for today?

Mr. TREMBLAY: Yes.

Mr. FLYNN: Mr. Chairman, may I ask a question concerning the decision of the steering committee. It was decided that this applies only to the commercial programs. It has been agreed, I think, that he would give us all the figures of the so-called sustaining programs.

The CHAIRMAN: That is right.

Mr. FAIRFIELD: At the last meeting I asked for comparative figures of the cost of the new audience research department of the C.B.C. as compared to the amounts they have paid out in the past year for commercial intelligence. So far we do not have that figure.

Mr. BUSHNELL: May I offer my humble apologies. I am afraid we cannot do everything at once and also keep the wheels of broadcasting rolling at the same time. It will be available as soon as possible.

Mr. MACQUARRIE: Mr. Chairman, the discussion goes around in circles and my comments may be a little late. Mr. McCleave spoke about the program Close-Up. I wonder if the C.B.C had any ethical qualms about presenting a program on the state of Ghana, a commonwealth state, commenting on the views of the leader of the opposition, without eliciting views from the leader of the government, whom the C.B.C. at times represents as being too busy for any of his supporters. I myself was rather shocked at such a procedure, of going to an opposition leader when you are working on a half-hour program. I will not make any comment on the domestic predilections on that. However, I wondered about this program.

The CHAIRMAN: It would appear you are not the only one who is wondering.

Do you wish Mr. Bushnell or Mr. Jennings to carry on now?

Mr. BUSHNELL: May I ask which of the various items I have mentioned here you would like to deal with.

The CHAIRMAN: I think we should have the first item first.

Mr. BUSHNELL: The objectivity and impartiality of news.

Mr. McINTOSH: Before we start on that, may we have an answer to Mr. Macquarie's question.

Mr. BUSHNELL: I quite agree there are wide differences of opinion on that matter. Actually, we started out with the best of intentions. We tried our best to get the leader of the government to participate on this show. He very assiduously avoided us. Whether it is right or wrong to present only the views of the opposition I am not prepared to say.

I think, actually, that we were right in trying to give as best we could a cross-section of what was happening in the state of Ghana. We had gone to considerable expense. Do we scrap the whole thing simply because the leader of the government refuses to take part in it? That is the problem we are faced with day in and day out.

Mr. FISHER: Is it not true that nobody in Canada has a vote in Ghana, and therefore this is a very unimportant question?

Some Hon. MEMBERS: Not at all.

Mr. FISHER: A question about what the opposition said may be more interesting to Mr. Pickersgill than some other people here.

Mr. MACQUARRIE: I think the people in Canada are, or I certainly hope they are quite interested in the development of Ghana. I think a program that gives no voice to the official head of that country certainly is not proper.

Mr. BUSHNELL: I did not hear it or see it, but I am informed we had a statement from the Governor General of Ghana following our news last night who probably put the whole thing in its proper perspective.

Mr. BELL (*Saint John-Albert*): Mr. Chairman, I understand that last Sunday—although I did not see the show—that in the special broadcast on parliament greater attention was given to the opposition in the Senate than to the government party there.

Mr. PICKERSGILL: There is more of it.

Mr. BELL (*Carleton*): The same should apply here then.

The CHAIRMAN: I think if it is agreeable, lady and gentlemen, we will go on to a discussion on the objectivity and impartiality of other news..

Mr. FISHER: I want to know if I can bring this up some time. I want to ask Mr. Bushnell certain questions on the program "The Nation's Business", and I want to ask him if he has considered putting that on at a later time, in order to pick up a better listening ratio. It has one of the lowest of all programs, and I feel one of the reasons is the time. I know politicians are bad examples, but the time is the thing.

Mr. SMITH (*Calgary South*): As I said earlier, I have no conflict with Mr. Tremblay, and wanted merely to hear the witness' opinions. But we are wandering from one thing to another without coordination and synchronization, and I suggest we start with one item now, otherwise we will be here all day discussing individual problems.

The CHAIRMAN: If we went on to the objectivity and impartiality of news, which Mr. Bell asked for, then we would be on to that for the rest of the day. Do you wish Mr. Jennings to make a comment on that?

Mr. BUSHNELL: That is what I would prefer.

Mr. JENNINGS: Mr. Chairman, at the last meeting there was rather a general discussion on the objectivity and impartiality of the C.B.C. news service, and that was brought to a close by Mr. Bell asking for the internal rules and regulations which govern the operation of the C.B.C. news service.

What I have done on the paper that is being put before you today is to give you extracts from a very large book and the range of what that book contains is shown by the first 10 or 12 pages. The first page shows you the contents of the various sections of the book. Section 14 is the internal rules and regulations: then follow supplementary directives, general; news room operations; flashes, emergency operations, and so on, down to the heading "style guide."

We have given you, in the succeeding pages, the individual index for each section. I suggest we might thumb through it, and under the "Internal Rules and Regulations," in alphabetical order, you see a couple of pages of various subjects.

It is the same thing under section 15, supplementary directives, general. Section 16 is news room operations. That starts off with "Clean copy"—that has to do with the condition and type of paper, and so on. Section 17, "Flashes, emergency operations, V.I.P. deaths"; section 18 deals with the handling of elections. Section 19 is again supplementary directives, for television; and is followed by section 20, supplementary directives, for radio.

Section 21, release restrictions; and section 22, style guide.

Beyond that, I have gone through the various sections and have picked out these specific directives which you may want to look at. You may want me to read them to you. They are pretty well self explanatory.

The first is 14.7 "Integrity of C.B.C. news", and starts by saying:

The policy which guides operations of the C.B.C. national news service is based on the primary conception that this service is in the nature of a public trust; to present by radio and television all the significant news of the day's happenings in Canada and abroad factually, without bias or distortion, without tendentious comment, and in a clear and unambiguous style.

Then section 14.8; "Accuracy".

The CHAIRMAN: Are there any questions on the integrity of the C.B.C. news?

Mr. SMITH (*Calgary South*): Would you like to repeat that question?

Mr. PRATT: Mr. Chairman, I have a question which refers to the impartiality of the news. Sometimes it works in reverse, to the good of the public. I have received a brief of the Canadian Federation of Mayors and Municipalities, and one of the complaints is that under C.B.C. regulations, all radio stations are prohibited from advertising or broadcasting any information pertaining to elections, but that certain local radio stations had interpreted this regulation as applying also to plebiscites.

A case in point was in the city of Victoria, British Columbia, where a plebiscite had been held seeking authorization from the ratepayers to build a new bridge to replace an old bridge which became dangerous for public use.

The CHAIRMAN: Would that not be under the B.B.G. regulations, Mr. Pratt?

Mr. PRATT: My question is, has there been any improvement in that situation whereby these rules do not hold these local stations hide-bound to its interpretation?

Mr. BUSHNELL: That is no longer our responsibility.

Mr. PRATT: But has the change come about?

Mr. JENNINGS: As far as I know.

Mr. PRATT: I am not asking that as a question of policy, but as an actual fact, in application.

The CHAIRMAN: I would suggest we hold that for the B.B.G., and we can get a factual answer on it from them.

Mr. PRATT: I did not realize the answer was that difficult.

The CHAIRMAN: They are not suggesting what the answer is.

Mr. JENNINGS: I think that in the regulations of the B.B.G. a plebiscite is still defined. I would have to look at it.

Mr. PRATT: It is still defined as being one of the questions not discussable on public broadcasting?

Mr. JENNINGS: As I recall—and I do not want to put these remarks on the public record as an authority on it...

Mr. PICKERSGILL: I think I should put this question not to Mr. Jennings, but to Mr. Bushnell, because I am sure a question of this sort would go right to the top of the corporation.

Perhaps I should preface it by saying that several years ago a question was put on the order paper in parliament asking the members of the then government if they had communicated with the C.B.C. regarding any of these programs.

I will put my question in a more restricted fashion: Has the C.B.C. had any complaint from any member of the present government about the integrity or any other aspect of the news service?

Mr. BELL (*Saint John-Albert*): Are you sure of the answer to this before you ask it? It may ruin him, politically.

Mr. BUSHNELL: I think I can in all truthfulness and honesty say the answer would be "no".

Mr. McCLEAVE: Or from the opposition?

Mr. BUSHNELL: Or from the opposition either. Clearly, it is not inconceivable I might meet some member of parliament on the street who would say to me, "why the heck did you put that item in the news broadcast last night?" But other than something that is completely informal and rather personal, the answer is, definitely, no.

Mr. SMITH (*Calgary South*): Surely, you had one from the opposition concerning the dinner for Mr. Smallwood?

Mr. McCLEAVE: That is the federation that wrote in, and not a member of parliament.

Mr. FLYNN: What is the explanation? Did you explain you had made an error in not putting the picture of Mr. Pickersgill applauding?

Mr. JENNINGS: I think, quite seriously, you will see from what we have put before you here, the very specific, clear-cut directives under which the news service operates all the time.

In connection with the thing Mr. Pickersgill or Mr. Smith mentioned, there immediately followed that incident a revision or, rather, an addition to the news directives which I refer you to as 19.10.1 and 19.10.2, the last and second to last page. The last page is the relevant one really.

19.10.1 Newsfilm Editing—Responsibility. Final responsibility for the content of all news programs rests with the TV editor-in-charge, or his delegate within the news service. This includes the editing of newsfilm. While all editors should realize that the preparation of news for television requires a high degree of cooperation, bringing together the best skills and cooperation with other departments—

The cutting department, editing, and so on.

—this does not relieve the news service of responsibility for content in line with established policies that govern the accuracy and integrity of our news.

It then goes into detail:

19.10.2, Filming and Editing Public Speeches. To avoid the highly improper inter-cutting of inappropriate shots in newsfilm reports of political or other public speeches, the following safeguards must be observed:

When filming speeches, change lens after each complete sequence, alternating between medium shot and medium closeup. If there is applause or booing, keep the camera rolling to the end of the demonstration, either holding on the speaker or, if possible, panning over to the audience for visual reaction.

Do not shoot unrelated applause by the audience. If a sound camera is being used to take crowd shots for cutaways, shoot neutral scenes showing people, but not people who are applauding or booing.

In the film editing—under editorial supervision—never under any circumstances use "unrelated" sound-on-film reaction scenes as cutaways, and be extremely careful about what you use even as a silent cutaway.

Before use, all edited film must be screened by the editor responsible to ensure that the above safeguards have been observed.

The CHAIRMAN: I would suggest that is fixed now.

Mr. JENNINGS: This followed immediately upon the heels of that regrettable incident.

Mr. PICKERSGILL: On a question of privilege, I did not raise this at all, but I asked the question as to whether there has been any member of the government—and I do not mean "member of parliament"; I mean only ministers of the crown.

The CHAIRMAN: Mr. Bushnell said, "no".

Mr. PICKERSGILL: And Mr. Bushnell said "no", as I understood it.

The CHAIRMAN: Right. Continue, please, Mr. Jennings.  
Are there any other questions on the integrity of the C.B.C. news?

Mr. BELL (*Carleton*): A hasty review of this would seem to indicate that, as a statement of principle, it is to be commended highly. The problem is whether human frailties permit the carrying out in full of the lofty principles set forth herein.

Mr. JENNINGS: They may be lofty principles, but they are also day-to-day working directives that all our editors are subject to; and they are regarded very strictly indeed and are followed very strictly indeed by the news editors in charge at all our news rooms.

Mr. SMITH (*Calgary South*): Not to the extent, I hope, of going to the opposite direction, by over-regulation?

Mr. JENNINGS: I hope they do not over-regulate.

Mr. FISHER: Have you any indications your news service is popular and well listened to and well watched?

Mr. JENNINGS: Very much so, very many indeed.

Mr. FISHER: In other words, there is a wide public acceptance, regardless of comments members of parliament may have made about bias and integrity?

Mr. BELL (*Saint John-Albert*): They have not much choice, to look at other news services.

Mr. JENNINGS: I think in Toronto, for example, in the Toronto area, the national television news service has a very high rating, and also the national radio bulletin at ten o'clock, eastern daylight time. That has stood up tremendously well, in spite of television competition. It has, all through the years, been an outstanding broadcast so far as listener acceptance is concerned.

The CHAIRMAN: In the competitive market in Toronto you have one of the highest ratings on news, as compared to the Hamilton or Buffalo stations.

Mr. JENNINGS: Yes.

Mr. PICKERSGILL: I have a question I would like to put—and I am not a viewer of television news because it is too late at night for me.

Mr. JENNINGS: There is a very good bulletin in Ottawa, at 6:45.

Mr. PICKERSGILL: But it has been represented to me by people who view it habitually that it is too brutal. I would be interested in Mr. Jenning's comment on this. I am not endorsing it at all. I am told there has been far too much portrayal of violence. In other words, if I may use an analogy, I will not mention any Canadian newspaper—but it is too much a "news of the world" in character.

The other complaint is the foreign coverage is too extensive, and the Canadian coverage is not extensive enough.

I would just be interested to hear Mr. Jenning's comments. These comments have come from other people, I am sure, and I would like to hear what Mr. Jennings has to say about it, because I am certainly not endorsing these views at all.

The CHAIRMAN: This is completely hearsay?

Mr. PICKERSGILL: No, not hearsay, but completely "see-say", I think.

Mr. SMITH (*Calgary South*): As a committee member you are responsible for saying that.

Mr. PICKERSGILL: I am not responsible for them, but merely represent someone.

Mr. SMITH (*Calgary South*): You are not responsible at all?

Mr. PICKERSGILL: No, that is quite right. With regard to this I am not responsible at all, and I made that very clear in this matter. I wonder if we could have an answer to that?

The CHAIRMAN: You would like an opinion from Mr. Jennings?

Mr. PICKERSGILL: Yes, I think these are very serious opinions.

An Hon. MEMBER: This is one person's opinion only.

Mr. RICHARD (*Ottawa East*): I hope Mr. Smith at his next meeting will realize that he is infringing some of the rules that he wants us to keep in his own committee.

Mr. SMITH (*Calgary South*): Yes, I fully realize that.

Mr. JENNINGS: To answer the first part of your question, Mr. Pickersgill, personally I do not have that reaction, that we have too much violence, myself; but, again, in our rules and regulations for the conduct of the news service we have pretty strict instructions about that, about handling all stories of violence; and I do not myself have that impression.

As to the second part, I think we can give you figures as to the balance between national news and international news. So far as Canada is concerned we try, right across the country, to get as much as possible through our own stringers, and through the cooperation of the private stations who have their own stringers. This works out through the television news cooperative, which is operated by the C.B.C., in which the private stations supply film clips of local items to central points; and the C.B.C. feeds this out to member stations of the cooperative.

Mr. LAMBERT: This is particularly noticeable in the morning radio news, that there is a variation as between eastern Canada and western Canada, and they are an entirely different type of program. Here, in Ottawa, we get direct reports, which you do not get in western Canada. I was wondering what was the reason for the difference. I would have thought you would carry through the national news bulletin, say, on the eight o'clock news in the morning.

Mr. JENNINGS: In radio the morning bulletin is a regional one, and the main national bulletin is at ten o'clock at night.

So far as direct reports are concerned and Preview Commentary, we now make these available by line to other regions, where they can be fitted into their own news programs. I am rather surprised you are not getting direct reports in the west.

Mr. LAMBERT: No, because the morning news is a straight ten minutes of news without direct reports.

Mr. JENNINGS: We have introduced a pattern here from 7.00 to 9.15 which include direct reports through it, and time signals, and so on. If this is a successful pattern—it is part of the changing face of radio—if this is successful it will be instituted in other parts of the country; but these reports are being made available.

Mr. LAMBERT: I find them rather good hearing, as against the rather—

Mr. JENNINGS: Straight news bulletin?

Mr. LAMBERT: Yes, the straight news bulletin.

Mr. JENNINGS: Yes.

Mr. DORION: Mr. Chairman, I understood that the last rule contained in the document which we have in our hands was added after a certain incident. But regarding the other rules, I would like to know when these rules were enacted.

Mr. JENNINGS: This book started off, Mr. Dorion, with the inception of the C.B.C. news service, and it has been growing all through the years. The later inclusion of the last two rules—19.10.1 and 19.10.2—is indicative of how the thing is growing all the time. As I said, it started off from the inception of the news service.

Mr. DORION: Do I understand that every commentator for the corporation, every commentator has this document in his hands?

Mr. JENNINGS: No, sir, not commentators—the news service.

Mr. DORION: The news service?

Mr. JENNINGS: Yes. As a matter of fact, when the latest one was put out it, had this introduction to news staff, from the chief news editor. This was in June, 1956. In this production dated 1956. It says:

This book has been 15 years or more in the making and began even before the start of the C.B.C. national news service on January 1, 1941.

Actually, before we started to broadcast news bulletins on the air and the staff was being assembled and the news service was being created, these regulations and directions were being created, even before the first bulletin was broadcast on the air. There were directions as to how they should conduct themselves in the news service.

Mr. DORION: Have you something here for the commentators? I suppose you have rules and regulations for the commentators too?

Mr. JENNINGS: Yes. We have the white paper on controversial broadcasts.

Mr. DORION: Was it established recently?

Mr. JENNINGS: No. It has been in existence for many years. The statements on controversial broadcasting go back to the very inception of the corporation.

Mr. DORION: I hope you will have an opportunity to file that.

Mr. JENNINGS: Since the legislation changed, I believe the white paper is a document which has been issued by the Board of Broadcast Governors. I think it incorporates a good deal of the content in the C.B.C.'s white paper. We are in the process of restating formally, as a formal affair, directives and policies which determine controversial broadcasting.

The CHAIRMAN: I know Mr. Kucherepa and Mr. Macquarrie have questions. We must, however, close off this meeting inasmuch as Mr. Art Smith and his committee on estimates will be sitting here within ten minutes. Would you so move?

Mr. SMITH (*Calgary South*): I would so move. Might I ask as a matter of procedure whether or not I am correct in saying we will follow on with the statements on cost, and also the letter? Also I wonder if we might give some consideration to having a look at some of the C.B.C.'s operations, preferably in the city of Toronto, or some other point, so as to examine in action some of its functions.

The CHAIRMAN: Yes,—that is, if we are invited and I believed we will be invited by Mr. Bushnell and his associates. We will take up that matter with the steering committee.

Mr. FISHER: I am concerned with the change the C.B.C. is making internally in respect of its group insurance plan. I would like to know when I might bring that up in the committee and whether or not there is any place for it. There are strong criticisms of the change in the plan which the C.B.C. is now considering.

The CHAIRMAN: I would imagine that will follow under the heading of personnel—public relations and personnel. If there is any particular information you wish, you might ask Mr. Bushnell now, so that he can have it prepared.

Mr. CHAMBERS: When is our next meeting?

The CHAIRMAN: On Tuesday at 11:00 a.m.

Mr. JENNINGS: May I distribute these copies of CBC Times?

The CHAIRMAN: By all means.

Mr. BUSHNELL: May I extend to all of you a very hearty invitation to be our guests in Toronto at any time you feel is opportune. We would be delighted to show you all the facilities we have. We cannot show you those we do not have, but we will endeavour to impress you with the fact that we need more.

The CHAIRMAN: Thank you, Mr. Bushnell.

THE FOLLOWING IS THE TEXT OF THAT PART OF THE  
COMMITTEE'S PROCEEDINGS CONDUCTED IN  
THE FRENCH LANGUAGE

ON TROUVERA CI-DESSOUS LE TEXTE DE LA PARTIE DES DÉLIBÉRATIONS  
DU COMITÉ QUI S'EST DÉROULÉE EN FRANÇAIS

M. TREMBLAY:

Monsieur le président, nous avons ici, devant nous, des tableaux nous indiquant le coût de production de certains programmes. Il s'agit ici des programmes du réseau anglais. On nous remettra, probablement bientôt, le chiffre sur le coût de production de certains programmes français. Je voudrais faire remarquer que je ne suis pas du tout satisfait de ce qu'on nous a présenté. Je n'accepte pas cette façon de procéder. On ne nous donne là que des chiffres généraux, sans indication des programmes auxquels ces chiffres réfèrent. Ce que nous voulons juger ici au comité, c'est de la qualité des programmes.

Ce que nous avons à juger, nous voulons juger de la qualité des programmes en fonction de leur coût, et ce que les contribuables exigent de nous, à titre de leurs représentants, c'est que nous puissions fournir des explications sur le coût de la production et la qualité des programmes. Alors, je ne puis accepter que l'on nous donne simplement ces indications générales, sans égard aux programmes qui sont mis en cause.

Et, pour terminer, j'ajoute ceci: le comité de la radio a été institué dans le but de faire une enquête générale sur l'administration de la société Radio-Canada. Cela fait suite aux représentations très nombreuses qui ont été faites par les contribuables, et nous ne pourrions vraiment être satisfaits de ces explications très générales qui nous sont données. Ce que nous désirons, c'est de connaître quel est, dans le cas particulier de certains programmes, le coût de production, afin que nous puissions voir si ce que nous payons en vaut vraiment la peine.

\* \* \*

M. TREMBLAY:

Monsieur le président, je ne suis pas d'accord avec mon collègue M. Smith. Je rappelle ceci, que le jour où l'on a décidé de cette procédure à laquelle M. Smith a fait allusion, notre collègue M. Fortin a bien fait remarquer qu'il n'entendait pas se soumettre aux décisions du sous-comité, du comité consultatif, si celles-ci n'étaient pas dans le sens de ce que nous désirions savoir. Et, à ce moment-là, j'ai dit que j'étais exactement d'accord avec M. Fortin.

## APPENDIX "A"

## CBC TELEVISION PROGRAM COST AND REVENUE NOTES

The attached tabulations provide examples of typical program costs for ten programs seen during the month of January 1959 as part of the English language Television network service.

On the revenue side, the main items are the sale of time and the program package charge. It should be noted in connection with revenues that the Broadcasting industry has as its main commodity on-air time. Time is sold in the form of spot announcements and in the form of periods occupied by programs. In the examples given in the attached sheet, program time is represented by revenue to CBC and private affiliated TV stations.

It must be remembered that the time occupied by these programs is time of the national TV network service which, by definition of the Corporation's objectives, is to be programmed, along with all other service hours, to give a balanced and varied program fare. In seeking and obtaining participation of commercial sponsors in sharing the costs of these programs, the objectives are to provide clients with a vehicle for their commercial messages in one of the most effective impact media yet devised by man, while at the same time reducing the costs of these programs to the Canadian public. Furthermore, commercial contributions to program production costs enable the CBC to improve the quality of these and other programs and, in fact, may enable the Corporation to develop other service programming which would otherwise represent too high a cost.

Now a word about rates and program costs. If, as in the United States, our Canadian population was sufficiently dense to justify a high-enough time charge for CBC and private stations, then a possible profit could result from these commercial operations. It should be noted that time charges are based on the population covered by a given station. This fact is best illustrated, probably, if we recall that it requires some fifty Television stations and over 4,000 miles of microwave network connections to achieve the population coverage in Canada which, in the United States or the United Kingdom, is attained with one station in New York or London.

The same commercial principles are applied in Canadian Television program sales as are used in the United States. However, where there is a loss incurred in program production charges for major productions by United States networks, the station time charges more than make up for such losses.

As to the question of whether the CBC's commercial operations are not resulting in a high-enough charge to the advertiser, it is abundantly clear to our Commercial Sales people through sales resistance and from the definite statements of the Association of Canadian Advertisers and the Canadian Advertising Agencies Association to the Fowler Commission that our revenue is just about what the market will bear. They have complained about the high cost of Television.

Television is indeed an expensive medium. This is a well-known fact to CBC program planning people and to the people who have developed Television programming in this country. All the elements of the theatre, broadcasting, and the motion picture industries are combined here in the production of a varying program fare from hour to hour, from day to day, and from year to year. It might be of interest to take a quick look, however, at the program costs in Canada in comparison with those in the United States. Quite apart from the examples given in the attached sheets, a category analysis will show that, for 90-minute dramas, the average United States program cost is \$135,000, whereas the CBC cost is under \$42,000. In the hour drama category, the comparison is \$81,000 for United States productions and approximately \$29,000 for Canadian.

## SPECIAL COMMITTEE

In half-hour dramatic production, the American average of \$41,400 compares with the Canadian average of \$11,350. The one-hour variety program has an average cost of \$112,000 in the United States compared with \$47,750 in Canada, and the half-hour quiz shows in the United States average \$28,250 compared with a \$6,500 cost in Canada. These figures are provided, in the case of the United States programs, from an industry publication of high repute and, in the case of Canadian programs, from an average of our Fall-Winter production schedule.

To summarize then, it would be correct to state the objectives of CBC programming and sales people in the Television production field is to produce a good schedule and to sell, at the best price possible, such of these productions as are available for sponsorship while at the same time maintaining the quality of the programs and as low a cost as possible.

With these notes, the attached data is submitted.

**CANADIAN BROADCASTING CORPORATION TELEVISION SERVICE**  
**PRODUCTION COSTS AND ASSOCIATED INCOME.**

Program	Production Costs	Administrative Overhead	Total Costs	Receipts		
				Program Contribution	Station* Time	Total
	\$	\$	\$	\$	\$	\$
A	1,263	77	1,340	1,375	3,628	5,003
B	6,216	378	6,594	3,750	2,118	5,868
C	12,563	789	13,752	5,500	2,502	8,002
D	20,722	1,261	21,983	8,500	4,197	12,697
E	11,087	675	11,762	5,200	2,342	7,442
F	6,609	402	7,011	3,700	1,982	5,682
G	11,091	675	11,766	4,000	2,188	6,188
H	6,995	426	7,421	3,750	2,146	5,896
I	5,475	333	5,808	3,600	2,424	6,024
J	29,832	1,268	22,100	5,600	2,374	7,974

\*Net of payments to private affiliates.

**APPENDIX "B"**

**CANADIAN BROADCASTING CORPORATION**

**GROSS REVENUE FOR PAST FIVE YEARS**

In Thousands of Dollars

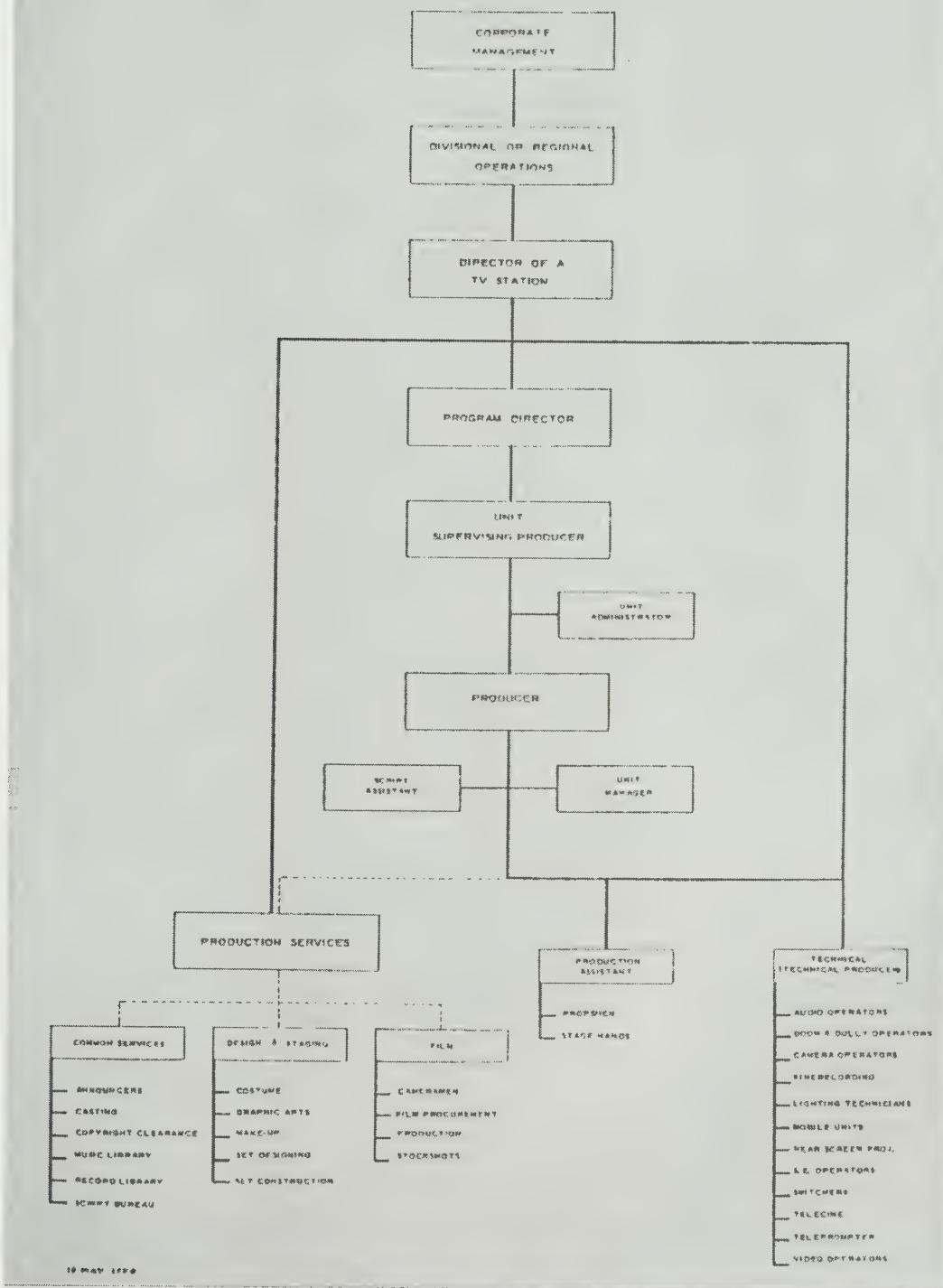
Years Ended March 31

	1954	1955	1956	1957	1958
Radio.....	\$ 5,085	\$ 4,054	\$ 3,332	\$ 2,446	\$ 2,030
Television.....	2,319	8,340	16,140	21,467	26,380
	7,404	12,394	19,472	23,913	28,410

OTTAWA  
MAY 20, 1959

(APPENDIX C)

CHART SHOWING ADMINISTRATION FOR A TV PRODUCTION





NOTES ACCOMPANYING CHART SHOWING  
ADMINISTRATION OF A TV PRODUCTION

The accompanying chart gives the basic organization structure within the CBC through which flows responsibility for programming. In its application there may be variations according to local circumstances and conditions, thus the same individual at times may perform two functions.

Corporate Management is responsible to the Board of Directors for the conduct of the affairs of the Corporation to provide a national broadcasting service; it receives, interprets and applies the policies of the Board; it establishes corporate policies for all aspects of the Corporation's activities and controls the operating units.

The Department of Broadcasting at Head Office develops and recommends policies and standards and outlines an overall objective and balance for the national program service (local, regional and national networks, French and English language, sponsored and unsponsored), its distribution through owned and affiliated network stations and evaluates the whole output or any program in relation to policies and standards. The Department of Operations co-ordinates the preparation of current operational plans including hours of operation, development of the broadcast services and budgets and recommends them for approval; analyses and appraises the operations of divisions, regions and services ensuring that operations are carried out according to plans and conforming to operating standards, and recommends operating objectives and policies.

At Divisional Headquarters in Toronto for English Networks and in Montreal for French networks are directed the programming, sales, scheduling, station relations and promotional activities of the television networks. With regard to programs, the Network Director and his staff co-ordinate and supervise network program planning and presentation pursuant to policies, standards and objectives of the national program service; co-ordinate for the network the programming activities of specialist departments; maintain liaison with Broadcasting officers and committees working on program development projects and supervise maintenance of quality of network programs.

In addition to network responsibilities the divisional director, in common with other directors of geographical areas, or Directors for Provinces, as they are called, interprets and applies Corporation policy in the area he directs; establishes regional policies; manages the activities of operating units and supervises the direction of regional television and radio networks.

To clarify the details of production responsibilities shown on the chart a description of the main functions of each position follows:

The Director of a Television Station interprets and applies Corporation policy in directing and co-ordinating activities of his operating unit; initiates and recommends operating plans and related budgets; ensures proper application of allotted funds and the best use of personnel and facilities in the interests of the Corporation.

The Program Director at his station interprets and applies CBC program policies; receives, develops and formulates program ideas and proposals; plans and schedules programs; supervises activities of production staff; controls and administers program budgets; ensures maintenance of program quality and as required aids and assists in network program planning.

The Unit Supervising Producer assists the local Program Director in planning and organizing programs within his field, e.g. drama, variety, public affairs, sports, etc.; when approved, assumes responsibility for their production including supervision of production staff, control program expenditures and other costs related thereto and maintenance of program standards and quality of performance.

The Unit Administrator assists the Supervising Producer and/or Program Director and producers reporting to them in administration of personnel, talent relations and financial matters; assists the Supervising Producer or Program Director in conducting such activities for his officer and may also deputize for the Supervising Producer in his absence.

The Producer, under the supervision of the Supervising Producer and/or the Program Director may contribute to program planning by development of original ideas, by refining and developing ideas submitted by others or by formulating program patterns and plans on formats provided to him; he is directly responsible for the overall quality of the program; he may commission writers to prepare scripts; he selects the performers who are to appear on the program. Through the appropriate channels, he specifies and arranges for services from design, staging, film and from other areas common to both radio and television. Through the technical producer, he arranges for technical personnel and facilities to meet the requirements for his program. He plans and schedules rehearsals. He deals himself, or arranges for others to deal, with problems related to collective agreements with performers' and staff unions. He administers, with the assistance of a unit administrator or unit manager as assigned, the budget allocated to his program subject to regulations and limitations established by the office of the director of the television station. On sponsored programs, he may consult with agency representatives or other representatives of the sponsor. He is the senior Corporation representative at the time his program is produced and is responsible to handle any emergency situation. He ensures that the policies of the Corporation are followed in such matters as good taste, quality of performance and maintenance of production standards.

The Script Assistant acts as control-room assistant and secretary to the producer throughout the preparation and production of specific programs; notes and records all instructions of a producer during rehearsal or telecast and in the event of the absence of the Producer during a telecast, may be required to act on his behalf in the control-room.

The Unit Manager is assigned to assist a producer or producers in compiling estimates of costs of productions, in controlling these costs for him and in making business arrangements necessary to the television production.

The Production Assistant assists the producer in the detailed planning and execution of television programs; co-ordinates all non-technical studio activities and, on the studio floor, in accordance with instructions from the producer personally directs action during camera rehearsal and production.

The Technical Producer is the technical assistant of the Producer in the production of a program; directs all technical operations for the program to which he is assigned, including the work of cameramen, audio and video operators, boom and dolly operators, lighting technicians, sound-effect operators, switchers, rear-screen projectors and teleprompter operators; he also arranges, as required for use of mobile unit, kinerecording and telecine facilities.

The Producer also secures assistance from the Production Services some of which are common to radio and television, such as announcers, casting, copyright clearance, music library, record library and the script bureau. Others in the design, staging and film areas are exclusive to television. It should be noted that these departments are not responsible directly to the producer, but they provide services he requires to his specifications.

## APPENDIX "D"

CBC NEWS  
DIRECTIVES AND STYLE GUIDE

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### INTERNAL RULES AND REGULATIONS GOVERNING NEWS POLICY

14.7 *Integrity of CBC News.* The policy which guides operations of the CBC National News Service is based on the primary conception that this service is in the nature of a public trust: to present by radio and television all the significant news of the day's happenings in Canada and abroad factually, without bias or distortion, without tendentious comment, and in a clear and unambiguous style.

That this policy is followed without deviation is the responsibility of the Chief Editor. In actual operation, it devolves on the individual editors who are responsible for the preparation of CBC news broadcasts.

It is realized that if any channels were opened whereby pressure could be put on editors to include or exclude certain news, modify it in any way, or give it special emphasis, the integrity of the service would be lost immediately. With that in mind, editors must at all times appraise and present the news in their newcasts strictly on the basis of its objective news value.

14.8 *Accuracy.* Accurate news must be the first consideration. Stories must be faithful to the available facts. It is the responsibility of CBC editors to query and verify any story which appears to be inaccurate, incomplete or unclear, checking if necessary with the original source of the story. Editors and reporters must cultivate an alertly critical attitude in satisfying themselves of the factual accuracy of every story.

14.9 *News Sources.* CBC news bulletins are based on source material supplied by the authorized news agencies, or obtained by CBC staff as assigned, or by accredited freelance reporters and cameramen. Opening of new sources or contracting for new services must first be approved by the Chief Editor.

14.12 *Crime and Sensation.* News should not be treated in a sensational manner. Crime stories should be handled with discretion. Remember that they go direct into the home of the listener and viewer. In the case of crimes where mental illness is indicated; in family crimes that might involve murder and/or suicide; and in so-called love killings, all film coverage must be referred to a news supervisor for mature and objective assessment before it is used.

14.15 *Speculation and Prediction.* CBC editors and reporters should not editorialize, speculate, or predict in their presentation of the news, but should stick to the facts. Speculative comment can be reported, however, when made by an identified authority and so attributed.

14.16 *Impartiality.* All controversial news must be treated with absolute impartiality. Both sides of the issue must be given equal emphasis as they become available.

14.18 *Good Taste.* In all writing and film coverage the canons of good taste should apply, particularly with reference to physical and mental handicaps or deformities, race, color or creed.

14.21 *Correctives.* When we are wrong, we should say so promptly, and take remedial measures to correct the error. If the error is in source copy we may in some cases refer to the agency by name; in others it is sufficient to refer to earlier "erroneous reports". Or it may be necessary to say that we made the error "in earlier CBC News reports". Depending on the nature of the error it may be sufficient to hold the corrective until the corresponding newscast next day. But usually it is best to make the correction in the first available newscast, repeating it in the corresponding newscast later.

#### LEGAL

14.22 *Libel and Slander.* The greatest care should be taken against broadcasting prejudicial and unprivileged statements.

Anything that detracts from the good name of any person may be defamatory, and defamatory statements or pictures are likely to lead to legal action for damages. The same is true if you impute unfitness or misconduct of a person in his trade and calling. (Saying a newsman is a congenital liar.) You can defame a product (saying such-and-such a car is defective) as well as a person.

Provision has been made in each region for access to legal advice through the News Supervisor. Make full use of this. Call our lawyer and if still in doubt leave it out. What may be privileged publication in the press is not necessarily so in broadcasting because most provincial statutes deal only with newspapers.

This is particularly true in TV where for many years we will be breaking new ground. Even in radio broadcasting the law is not yet clear on many points of libel and defamation.

14.30 *Sensitive Areas—Telerision: Courts, Privacy, National Security.* While TV newsmen and cameramen should be given every reasonable chance to exercise initiative, there are some sensitive areas that cannot be invaded without the risk of public censure.

One of these areas is in the administration of justice; specifically in our courts of law. Another is that of an individual's right to privacy. Still another, the area of national security.

It is impossible to specify all individual cases, but they would include such things as an attempt to set up cameras in a court of law or in Parliament or (for the first time) in Provincial Legislatures *without prior authorization*. Another instance would be the coverage of certain defence matters such as the location of radar stations and new weapons on the security list.

Before such stories are assigned to cameramen or others, or before such material is put on the air, clearance must be obtained from the Chief News Editor.

#### CONTROVERSIAL NEWS

14.31 *Political.* In handling Canadian political news, including legislative debates, you must keep constantly in mind our basic policy that all controversial news must be treated with absolute impartiality, and both sides of a given issue must be given equal emphasis as they become available.

To hold views on political matters is not only the privilege, but the duty of every citizen of a democratic state in which the party system is an accepted vehicle for the expression of public choice. It is taken for granted, however, that no CBC news editor will permit his personal views, whatever they may be, to exert the slightest influence on the manner in which he may handle political copy.

It cannot be too strongly emphasized that in this regard, as in others, the CBC News Service occupies a position of public trust in giving Canadians a straightforward, balanced and unbiased presentation of the news. Neither

political predilection, personal friendship, nor any other consideration must be permitted to affect in the slightest degree the integrity of our newscasts or news programs.

14.32 *Summarizing.* Particular care should be exercised in presenting any summarized statements attributed to political leaders. Sometimes, in reducing a long statement to a short paragraph, simplification may result in distortion. Make absolutely certain that the full intent and meaning of the original statement is clearly expressed in any summary you write.

14.33 *Attacks and Rebuttals.* If an item is used that deals with an attack on the Government, or a particular party, by a member of an opposing party, equal prominence should be given to the reply, even though it may come several days later. The lapse of a few days between the attack and the reply, pressure of other news, or another editor handling the trick, might cause an unfair omission. To guard against this, editors should make a special point to keep other members of staff informed and advised by specific reminder to be on the lookout for the reply.

There are times when political news may come almost entirely from one side of the House, for several days in succession. This is often the case during budget debates, etc., when members are given the floor for a fairly extended period. In order that CBC News may not, under such circumstances, appear to be one-sided, it is often a good idea to preface such items with some such opening as:—

“Criticism of the Government by members of the Opposition continued today, etc.”

“Government members continued to hold the floor in the debate on such-and-such, etc.”

or any similar opening that would indicate just why the news seemed to present one side so consistently.

14.34 *News that Might Cause Internal Friction.* In a young and growing country like Canada, there are bound to be certain stresses which are, in normal times, an indication of healthy development, and which are not dangerous when counter-balanced by tolerance and understanding. But such incipient antagonisms should always be viewed as having dangerous potentialities.

With this in mind, the greatest discretion and good judgment should be used in handling any news items that might exacerbate the feelings of any particular group in this country.

The CBC News Service, like the CBC as a whole, has an important function in helping Canadians achieve mutual tolerance and understanding in the interests of national unity. English speaking vs. French speaking, Gentile vs. Jew, native-born vs. foreign-born, employee vs. employer, East vs. West, all these and other potential antagonisms can, if permitted to develop, threaten Canada's future as a nation. It is most important that the presentation of news should not in any way encourage such antagonisms.

It is not suggested that anything of real news interest should be suppressed or modified, but it should always be remembered that an injudicious turn of phrase may make a news item unnecessarily offensive to some Canadians.

14.35 *Speculative Political Stories.* In handling stories that speculate on important domestic political developments, you should attribute them to an identified authority, or in some cases to the news agency which carried the story.

However, if there is any doubt as to the authenticity of the report or if it appears to have serious implications, check back through the supplying agency or, if need be, call the person quoted to verify the statement before including it in your newscast.

14.36 *International News.* Sensational, inflammatory or derogatory phrasing should be avoided in handling international as well as domestic news. This should be kept particularly in mind during any period of crisis. (This rule, of course, cannot apply to quotation from statements by statesmen or other persons whose opinions are of unquestioned news value and significance.)

In international news, stories of a speculative or rumour type are at times of too great news significance to be ignored. Such stories should be clearly designated as rumour, and the source of the story, or the news agency carrying the story, should be quoted.

It should also be taken into account, that the nationality of the news agency may in some degree affect the handling and emphasis of its international news stories. This is true of Iron Curtain countries and attribution is MUST, indicating our awareness that "news" from such sources may well be propaganda.

15.6 *International News—Propaganda.* In periods of international tension, it is especially important that the public should be kept fully and fairly informed. Violent and inflammatory language should be avoided even if it is contained in news agency copy. Such phrasing has a far greater impact when delivered by voice. The propaganda war is one of the cold facts of the cold war, and all editors must show their awareness of this in their news handling.

If verbal attacks on the West have news value, they should be presented in proper perspective. When Western replies are available they must be used. And Western comment should also be used to give balance to Communist proposals that without factual background may appear quite plausible. If no Western comment is available, say so, but use it when it is.

All stories from Communist countries must be identified as to source, so that the listener can be made aware of the possibility that they are propaganda. All may not be propaganda, but the source must be given in all cases. ("A dispatch from Communist Poland says xxx", or "the Communist radio in Prague claims xxx"). Usually it is better to avoid the verb "announced" since this gives such statements an authoritative ring they may not deserve; by the same token avoid referring to "the official news agency" of a Communist country. If you want to say that the agency speaks for the government this can be said in so many words.

15.7 *Spot News, Closers, Opinion, Editorials.* For the most part both radio and TV deal best in spot news, although there is room for good human interest and featurish stories, especially if they can be kept short and sharp. Such items make good closers, marked MUST to ensure they are read. It should be recognized that some stories are just too complicated or statistical for broadcast. But the challenge is to find a way to present them acceptably. Failing that, they should be left out.

Stories quoting controversial opinion should be attributed to source and presented in proper balance. Often the editorial opinions of newspapers or periodicals are news; in the Western democracies they often indicate a trend of public opinion; in the totalitarian countries they directly reflect the views of the state. In using the latter you must identify the source; otherwise the listener has no way of weighing their true value nor judging whether they are legitimate news or propaganda. The danger of carrying such opinion stories lies in the presentation of only one side of an issue. Therefore one-sided opinion stories should not be overplayed as to position or space.

15.8 *Editorials—Canadian.* Only under very exceptional circumstances should editorials from Canadian newspapers dealing with controversial topics be carried. To report such opinion might lead listeners and viewers to feel that the CBC shared the opinion quoted, by giving it wider circulation, and it would

be necessary also to quote at some length from many papers in different parts of Canada in order to give a balanced picture. If a political leader, or official spokesman replies to an editorial attack, that becomes legitimate news and it would then be necessary to give the gist of the editorial.

If a summary of opinion on a Canadian news development is available from The Canadian Press, it may justify some reference in a CBC news story, even without quoting individual editorials. In such a case, the agency should be credited.

**15.9 Tendentious Comment.** Care should be exercised in opening sentences in stories dealing with announcements of government policy, to avoid phrases such as "housewives all over Canada are happy because" or "here is cheering news for B.C. taxpayers" etc. Opposition parties take exception to this type of presentation of government measures. In handling controversial stories that yet might have a humorous aspect be careful that the humor or irony cannot be misinterpreted. Keep it factual. News readers must keep straight-faced, even-voiced in presenting controversial items and follow text.

**15.10 Requests for Special Consideration.** Persons who feel they should be given special consideration—members of Provincial or Federal governments, departmental officials, groups, commercial interests, municipal officials or persons well-known in the community—may make demands or suggestions in connection with the handling of news. While such requests should be met with ordinary courtesy, they should in all cases be told very clearly that it is the policy of the CBC News Service to handle news on its news value alone, free from all personal or partisan considerations. If they attempt to give such stories direct to the newsroom, they should be advised to offer them to The Canadian Press and the British United Press.

On our part, we should ask for no special consideration by governmental sources and should avoid any such phrases as "exclusive" or "special to CBC" in presenting such news.

**15.45 Controversy—Voice, Actuality and SOF Reports.** Our aim is to ensure accurate, factual and balanced political coverage and in the general field of controversy. These principles for reporting controversial news factually and fairly apply not only to politics but to labor-management disputes and to other matters of disagreement:

Supplementary reports (on any subject and whether done by staff or freelance) should follow the same principles of objectivity and impartiality as our newscasts. Both in the writing and in the voicing.

They should be factual reports of events or background information, having however the added color and life that comes of good writing, vivid phrasing and descriptive material. Intemperate or provocative language must be avoided.

They can and should report opinion, but this must be attributable; our news reports must NOT be expressions of personal opinion. They are written, in effect, for the news or feature pages, not the editorial pages.

As in straight news items, they must achieve political balance; including the answers to charges when and where available.

In interviews, loaded questions that might indicate editorial opinion on the part of the interviewer must be avoided.

Remember that CBC News takes responsibility for all its reporting; it cannot be shifted to an individual reporter.

**15.46 Domestic Political Balance—Integrating Newscast/Supplementary Report.** In every case, the balance within the whole news period (newscast and direct report on radio: news item and SOF or live insert on TV) should be

carefully weighed. This includes the position, content, and length of items; frequency of use (repeat of same item) in relation to sound news value and in relation to when the news has broken or the event taken place.

Special care is needed in writing continuity (the intro to set up; closing to round off) for the SOF or direct reports. In some cases, necessary balance can be obtained by a factual reference to what has happened before; what opposition spokesmen, for example, have had to say about the subject.

Every effort--directed from the national newsrooms but also carefully considered at the source (usually Ottawa)--must be made to line up spokesmen to give the opposing view. In many cases these are best done by interviewers asking pertinent questions; in the case of especially sensitive controversy, by independent, freelance interviewers rather than by CBC staff. (While it is useful to be able to say we tried to get a spokesman—and perhaps failed—this does not relieve us of the responsibility to try other means of achieving balance.)

Use should be made of SOF or voice reports by freelance reporters or CBC correspondents to go with the voices of the political figures, rounding out the picture and "giving the other side", where this is needed to balance partisan statements.

In all cases, experienced supervisors should set up the handling of these occasional but highly-important assignments, with the responsibility to see they are followed through on the air.

*18.1 General Approach.* Elections are news and the results are the important thing. They should be given as simply, promptly and accurately as possible.

However, supplementary material including background, color, interviews with candidates and commentary can be extremely interesting.

Careful planning well in advance ensures the best election service.

Post-mortems are useful, but don't throw away the benefit of past mistakes. Keep careful files on elections past and review them whenever another comes up—provincial, federal, municipal or by-election.

If you work out new techniques of presentation share them with all other newsrooms.

#### *Federal and Provincial Elections, By-Elections*

*18.2 Advance Plans.* Plans for special coverage of all elections must be made in detail well in advance. They should include a check with news agencies to find how they intend handling results and from what source. *The importance of a close check with the agencies cannot be over-emphasized*, since this will disclose the adequacy of the planned news agency election service in relation to our needs and will enable you to request additional coverage or to make other arrangements if necessary.

In all such elections, the agencies should be credited with all *tabulations* that are used; the credit included in each bulletin. (Visually, where pertinent, on TV). These tabulations would include Party standings for which the agencies assume all responsibility. They should also be credited when they accept responsibility for *reporting* (not "conceding") victory in an election. The fact that *CP service is copyright* should be mentioned at the start of each hour of service.

Close cooperation and liaison should exist between the radio and TV newsrooms on election night and a great deal of duplicate work may be avoided by a central setup. The extent of coordination should be determined at an early stage in the preparations. The drawbacks of simulcasts should be recognized.

*18.3 Election Schedules.* Both radio and television Editors-in-Charge should consult their local program officials to draft a schedule of bulletins. It is suggested that in provincial elections a *minimum* of five or ten-minute

bulletins every half hour, starting about half an hour or an hour after the polls close should normally make for adequate coverage. In the provinces with larger legislatures, a continuous service of bulletins may be needed. Copies of the draft schedule should be sent to the Chief Editor for his information.

18.4 *National Service.* In the handling of federal elections, national service will be coordinated in Toronto (in Montreal for French) but provision will be made for *basic regional service*. The national periods will serve largely to supplement this basic service.

18.5 *Local Coverage.* In both radio and TV local coverage, or supplementary coverage, should be arranged where needed on CBC stations.

18.6 *Blackout.* Two days before any election, a reminder of the 48-hour blackout should be posted by supervisor in each newsroom. During this period, no routine campaign speeches may be carried nor any review of campaign issues. Any last-minute charges, replies or counter-charges of extraordinary importance should be referred to the Editor-in-Charge or Chief News Editor for decision. A factual advance on the election is permissible, mentioning the contending parties.

18.7 *Results.* No results of *any election* may be broadcast in any area holding elections *before the polls close*. For example, if by-elections are held in the Maritimes and B.C. on the same day, the Maritime result cannot be broadcast in B.C. until the polls in B.C. have closed. The reason: to avoid influencing the vote. The same principle applies to broadcasting federal results across the country.

18.8 *Statements from Leaders.* The Editor-in-Charge or the representative of the Talks Department should line up the leaders of all major parties for statements in person when the overall result of the election is known.

18.9 *Nominations.* We should carry only the newsworthy nominations, not the routine naming of candidates because it is impossible to carry them all. Some, however, may be of unusual interest: the nomination of party leaders, key ministers, or the like. Mention should be made of the other contesting parties, if they are already in the field, to give fair balance to any nominations that are reported.

In the same way, *routine campaign speeches* can be ignored. A sensible procedure is to cover only the *party leaders*, apart from any particularly newsworthy announcements or unusual breaks.

18.10 *Popular Vote.* It is particularly important that election news should be handled in a completely factual and objective way. Some words and phrases have an emotional significance that might indicate that the CBC shared in the joy of a political victory or the disappointment of defeat. Any phrasing should be avoided that might make such an inference possible.

Care should be taken in reporting the overall *result* of an election when one party wins a big majority of the seats. News agencies may describe such a result as a "landslide" victory or an "overwhelming" victory for the winning party. But we should be wary of such sweeping terms since in some cases the party winning a large majority of the seats actually receives a bare majority of the *popular vote*. Editors should always try to obtain for use, preferably on election night, a tabulation of the *popular vote*.

Care should also be used in quoting from the post-election comment of party leaders, to see that this is evenly balanced.

19.9 *Film Coverage of Political Statements or Interviews.* Often the best way to present any story, even one with partisan political implications, is to have the central figure himself tell it. However, political stories can also be handled as interviews, either by staff or non-staff interviewers since they can elicit the essential news by pointed questions. This also helps to keep

the nature of the news clip and its length under our control. It is sometimes best to use a freelance interviewer in handling hot domestic political controversy.

In some cases it may be desirable to ask a minister or member to repeat (or even to give an advance on) a statement made in Parliament or Legislature. In such cases, it is important to make sure that what is being shot is the part we want from the actual statement and not paraphrasing that would give it a partisan twist.

In the rare case where you might film a statement in advance, you should check on its actual presentation. (We must, of course, present any filmed material for what it actually is; not lead viewers to believe that this is the actual presentation of the statement when it is not.)

In all cases it should be made clear that by shooting such interviews or statements we make no commitment to show part or all of them. This is a decision for the Editor-in-Charge or for the editor on duty in assembling his newcast.

19.10.1 *Newsfilm Editing—Responsibility.* Final responsibility for the content of all news programs rests with the TV Editor-in-Charge, or his delegate within the News Service. This includes the editing of newsfilm. While all editors should realize that the preparation of news for television requires a high degree of cooperation, bringing together the best skills of news editing and film editing, this does not relieve the News Service of responsibility for content in line with established policies that govern the accuracy and integrity of our news. (See also below).

19.10.2 *Filming and Editing Public Speeches.* To avoid the highly improper inter-cutting or inappropriate shots in newsfilm reports of political or other public speeches, the following safeguards must be observed:

When filming speeches, change lens after each complete sequence, alternating between medium shot and medium closeup. If there is applause or boozing, keep the camera rolling to the end of the demonstration, either holding on the speaker or, if possible, panning over to the audience for visual reaction.

Do not shoot *unrelated* applause by the audience. If a sound camera is being used to take crowd shots for cutaways, shoot neutral scenes showing people, but not people who are applauding or boozing.

In the film editing (under editorial supervision) never under any circumstances use "unrelated" sound-on-film reaction scenes as cutaways, and be extremely careful about what you use even as a silent cutaway.

Before use, all edited film must be screened by the editor responsible to ensure that the above safeguards have been observed.

## Appendix "E"

Copy

## P. S. ROSS &amp; SONS

Montreal, Toronto, Saint John,  
Ottawa, Vancouver, Calgary,  
London, Ont.

360 St. James Street West  
MONTREAL 1.

Mr. J. A. Ouimet,  
General Manager,  
Canadian Broadcasting Corporation,  
P.O. Box 806,  
Ottawa, Ontario.

Dear Sir:

We recently completed the assignment undertaken in November 1956 to review the accounting methods and procedures of the Canadian Broadcasting Corporation and wish to report to you briefly on the objectives and scope of the review.

Throughout we worked closely with officers and personnel of the Corporation. Every effort was made to keep the officials concerned—both operating and accounting—advised of developments and to have them active in the working out and installation of new procedures. When new procedures were drawn up, the installation was done mainly by Corporation personnel who had the responsibility of operating under such revised procedures. In some cases we limited ourselves to a review of proposals drawn up by your personnel.

At all times we had the full co-operation and assistance of your officers and staff. Their advice was of great help to us.

*Objectives:*

The objectives may be summarized as:

1. The decentralization of accounting to parallel the decentralized organization.
2. The elimination of detailed accounting records at head office where considered appropriate and the establishment of an integrated accounting system.
3. The recording in the accounts and financial reports showing a separation of the results of station operations from network operations and a separation of these results between sustaining programs and sponsored programs.
4. The revision of accounting methods to strengthen accounting control and reduce costs.

It was planned that our work would be completed so that the changes would be put into effect for the fiscal year 1958/59 commencing April 1, 1958.

Some of the new procedures will not be put into operation in full until after April 1, 1958. These comprise principally those phases of program costing where it is most convenient to have the changes effective at the commencement of the "program" year, i.e., July 1, and the introduction of some accounting equipment which is scheduled for the summer of 1958. We believe that the Corporation personnel is qualified to complete the installation of the new procedures and to carry out the continuing review and study to which procedures should be subjected in the light of changing conditions.

May 1, 1958.

*Scope:*

Our work has been mainly concerned with procedures in the Comptroller's office and in the regional accounting offices. In the course of the assignment we visited all accounting offices of the Corporation. Insofar as information flows from sources outside these offices it was necessary to examine the clerical procedures in other sections of the Corporation organization. In general we limited the scope of our work in these other sections to the phases of recording and reporting information which were essential to establishing proper accounting procedures.

*Program:*

Each phase of our assignment was planned with your personnel and the program proceeded with smoothness despite the difficulties encountered in making changes in an enterprise as large as your Corporation.

*Conclusion:*

During the course of our engagement, Mr. A. M. Henderson, C.A., joined the Corporation as Comptroller. In accordance with your suggestion we will be pleased to continue our relationship with the Corporation as Financial and Accounting Consultants, as and when required throughout the next year, for the purpose of meeting and discussing with Mr. Henderson and others of the Corporation any problems that might arise in the application of the new procedures.

Yours very truly,

(Sgd.) P. S. ROSS & SONS.





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HOUSE OF COMMONS  
Second Session—Twenty-fourth Parliament  
1959

Government  
Publications

SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*

MINUTES OF PROCEEDINGS AND EVIDENCE  
No. 6

TUESDAY, MAY 26, 1959

LIBRARY

CANADIAN BROADCASTING CORPORATION

WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;  
J. P. Gilmore, Controller of Operations; and A. M. Henderson, Com-  
troller.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* G. E. Halpenny, Esq.

*Vice-Chairman:* J. Flynn, Esq.

and Messrs.

Miss Aitken,	Fortin,	Nowlan,
R. A. Bell ( <i>Carleton</i> ),	Horner ( <i>Jasper-Edson</i> ),	Pickersgill,
Tom Bell ( <i>Saint John- Albert</i> ),	Jung,	Pratt,
Brassard ( <i>Lapointe</i> ),	Kucherepa,	Richard ( <i>Ottawa East</i> ),
Campeau,	Lambert,	Robichaud,
Chambers,	Macquarrie,	Rouleau,
Chown,	Mitchell,	Simpson,
Dorion,	Morris,	Smith ( <i>Calgary South</i> ),
Fairfield,	McCleave,	Smith ( <i>Simeoe North</i> ),
Fisher,	McGrath,	Tremblay.
Forgie,	McIntosh,	
	McQuillan,	

J. E. O'Connor,  
*Clerk of the Committee.*

MINUTES OF PROCEEDINGS

TUESDAY, May 26, 1959.

The Special Committee on Broadcasting met at 11.00 a.m. this day. The Chairman, Mr. Halpenny, presided.

*Members present:* Miss Aitken, Messrs. Bell (Carleton), Campeau, Chambers, Dorion, Fairfield, Fisher, Flynn, Forgie, Fortin, Halpenny, Jung, Kucherepa, Lambert, Macquarrie, Morris, McCleave, McGrath, McQuillan, Pickersgill, Pratt, Richard (Ottawa East), Robichaud, Rouleau, Simpson, Smith (Calgary South) and Tremblay—(27).

*In attendance:* Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; J. P. Gilmore, Controller of Operations; R. C. Fraser, Director, Public Relations; Marcel Carter, Controller of Management, Planning and Development; Charles Jennings, Controller of Broadcasting; Marcel Ouimet, Deputy Controller of Broadcasting; R. E. Keddy, Director of Organization; Barry MacDonald, Secretary, Board of Directors; J. A. Halbert, Assistant Secretary, Board of Directors; and M. Henderson, Comptroller.

Following the observation of quorum by the Chairman, Mr. Bushnell made a further statement concerning production costs and the competitive position of the Canadian Broadcasting Corporation.

Moved by Mr. Smith, seconded by Mr. Pratt, the following proposed motion, "That all costs of production of both commercial and sustaining television programs in both the English and the French networks be presented, at the earliest possible date, to the Committee for the last complete month, itemizing these costs and relating them to recoveries made from sponsors and other sources".

Messrs. Bushnell and Gilmore explained the implications of the adoption of such a motion and its ultimate effect on the Corporation's relations with sponsors.

Following further questioning of Messrs. Bushnell and Gilmore, it was agreed that the proposed motion be passed to the Sub-committee on Agenda and Procedure for consideration.

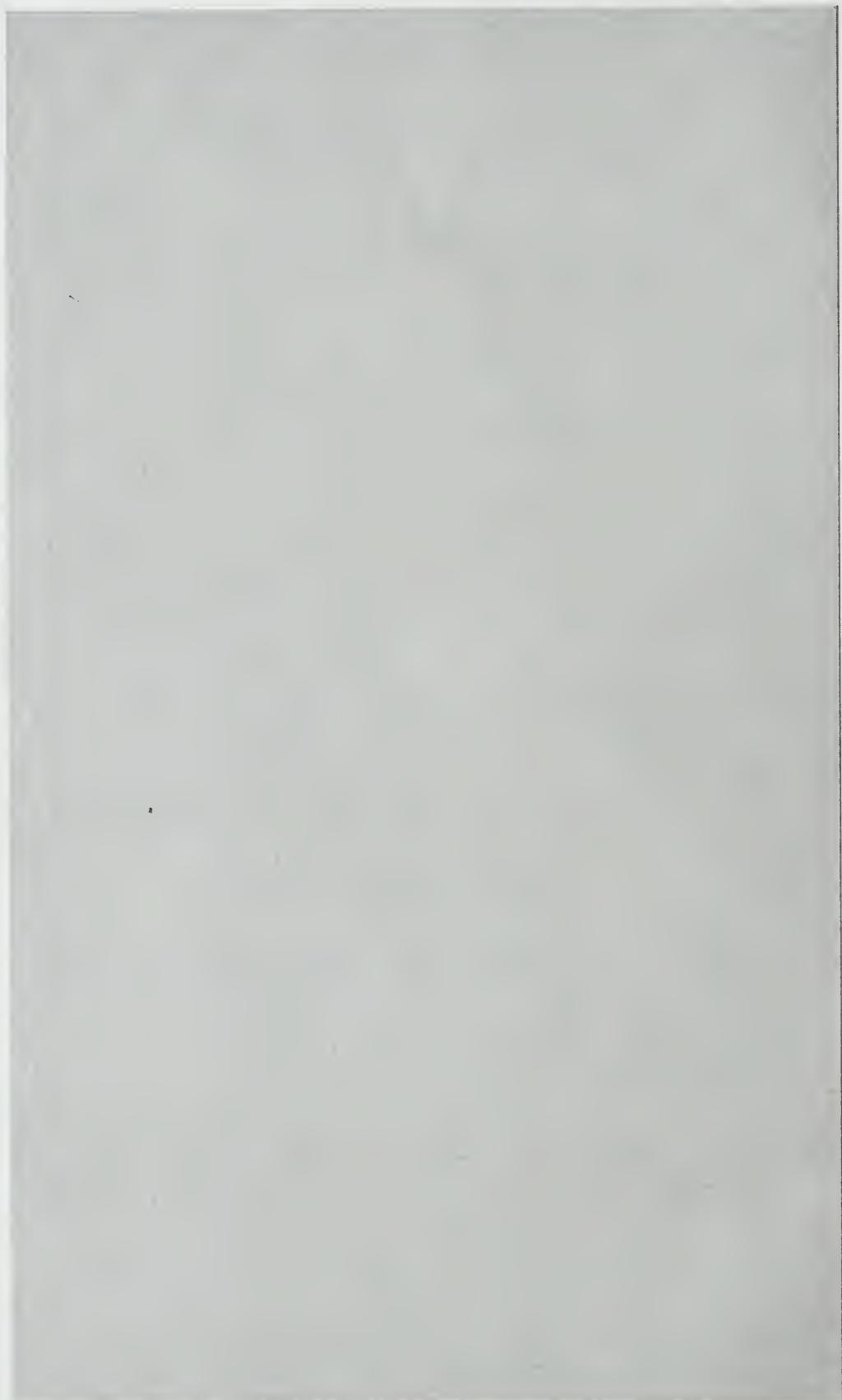
*Agreed.*—That a table entitled "Canadian Broadcasting Corporation Sustaining Television Programs-Representative Production Costs-1958/59 Program Season" be printed as an appendix to the record of this day's proceedings. (See Appendix "A")

Messrs. Bushnell, Gilmore and Henderson were questioned concerning details of the aforementioned table, and agreed to prepare for a future meeting of the Committee a more detailed breakdown of the costs of certain programs.

*Agreed.*—That the proposed motion by Mr. Rouleau, forwarded to the Sub-committee on May 19 be not proceeded with and that the Committee continue its examination of both the English and French language networks.

At 1.45 p.m. the Committee adjourned to meet again at 9.30 a.m., Thursday, May 28, 1959.

J. E. O'Connor,  
Clerk of the Committee.



NOTE: *Text of the Proceedings recorded in the French language appears immediately following this day's Evidence.*

REMARQUE: *Le texte des témoignages recueillis en français figure immédiatement à la suite du compte rendu des délibérations de la séance d'aujourd'hui.*

## EVIDENCE

TUESDAY, May 26, 1959.  
11:00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum.

Mr. PRATT: Mr. Chairman, just a small question of privilege in the record. On page 98 at lines 14 and 17, the word is "spate" and not "state". And then at line 22 cross out the three words "at the very" and replace them by the word "every". This is what I really said. Thank you, Mr. Chairman.

Mr. McCLEAVE: On a question of privilege, I would like to mention a correction of the record at page 92, a little more than half way down the page:

I think a year ago we were on a Jack Creeley Bick,—

It should be: "kick", with a small "k".

The CHAIRMAN: Is that all, Mr. McCleave?

Mr. McCLEAVE: There is a reference that was omitted in the Proceedings and Evidence which was the words "old pals act." I do not see it in the record, and I do not recall the exact place.

Mr. BELL (Carleton): Also on a question of privilege, at page 117 the last statement on that page is one attributed to me, but is one for which I am sure I cannot take credit.

The CHAIRMAN: You are not the author? Does anybody here know who made that statement if Mr. Bell did not?

The question is:

May I ask a question, Mr. Chairman? I am not saying that I personally feel that this word should be spread around; but is there not a great deal of validity in the fact that certain members of the press gallery have as great scope—and even as expert knowledge—as members of parliament; and therefore it would be impossible to get away from the fact that they would have these extra qualities and would, therefore, be more in demand than others?

Mr. SMITH (Calgary South): May I suggest, in view of the statement of Mr. Bell, you describe it as "an hon. member"?

The CHAIRMAN: Thank you very much, that is a good solution.

As arranged last week, we will begin with the C.B.C. television programming costs and revenues, which is appendix A, page 133 of our printed proceedings. Mr. Bushnell has a short opening statement relative to these notes. Mr. Bushnell, please?

Mr. ERNEST BUSHNELL (Vice President, Canadian Broadcasting Corporation): Mr. Chairman, may I begin by saying it would appear the emphasis in earlier meetings of the committee on the subject of the C.B.C.'s commercial operations suggests the need for a further statement by the corporation about

its negotiations with sponsors and advertising agencies. This need has been highly-lighted by press comment which indicates that the corporation's position in its business dealings is not clearly understood.

Coincident with the development of Canadian talent and the production of Canadian television programs, the corporation makes every effort to enlist the support of Canadian advertisers and to have them sponsor Canadian productions. It has had considerable success in this direction. However, in such efforts it faces a two-fold problem: (a) the size of the Canadian sponsor's budget; there is a limit to the amount of money advertisers can make available for television.

May I comment, at this stage? This morning I checked with certain specialists in the advertising field, with the dominion bureau of statistics and others, and, as I had supposed, there are not more than 15, at the outside, 15 commercial organizations, commercial firms, let me put it, in Canada who can spend in advertising, in all the media, over \$2 million annually. The figure actually is probably less than 15.

Mr. SMITH (*Calgary South*): What is the source of that information?

Mr. BUSHNELL: The source of the information is from trade papers, the dominion bureau of statistics and, I think, from some advertising agencies.

And then (b) the economics of television are such that live TV production is inherently expensive; program material on film, or direct from United States networks, is substantially cheaper to the Canadian advertiser than live Canadian programs of comparable quality.

In its development of Canadian production, C.B.C. tries, as a matter of policy, to create as wide a variety of programs as possible. The production cost of some is relatively low; some are in the middle range; while others are quite expensive. What C.B.C. endeavours to obtain is sponsorship of the broadest possible range of live programs—and the continuation of such sponsorship on a long-term basis.

In conducting its negotiations the C.B.C. deals with advertisers and their agencies on as uniform a basis as can possibly be arrived at. But it must be remembered that separate sponsorship arrangements have to be made for each program--and that no two situations are exactly alike.

In negotiating for the sponsorship of Canadian produced programs, the corporation frequently finds itself involved with a group of advertisers who are competing vigorously with each other in everything they do. In addition to the competition that exists between sponsors, there is often very keen competition among the many advertising agencies who are negotiating with C.B.C. on behalf of their various clients. In this situation, the corporation conducts its business dealings in what it feels is a fair and business-like manner. Each program available for sponsorship is dealt with on an individual and highly confidential basis. We do not disclose to one sponsor the details of our negotiations with another—nor do we discuss with an advertising agency anything pertaining to the advertising plans or advertising expenditures of any company other than the clients of that agency.

To adopt any other course would, we feel, be unfair to sponsors. It would we feel, in fact, be a breach of business ethics. But there is more to it than that. It would be prejudicial to the interests of the corporation itself. On the one hand, every advertiser endeavours—and properly so—to obtain the maximum in advertising value for the lowest possible expenditure. Sponsors and their agencies do everything they can to keep costs to a minimum. The C.B.C. on its part, strives for every dollar of commercial revenue it can obtain. In every case it drives the hardest bargain it can.

If it is to continue to do that, the corporation must continue the practice of conducting its sales negotiations confidentially. Its position *vis-a-vis*

advertisers and agencies, and its future dealings with them, would be seriously impaired if the terms and conditions of its sales arrangements were a matter of public knowledge.

That, Mr. Chairman, is my statement.

Mr. SMITH (*Calgary South*): Mr. Chairman, I wonder if I could raise a point? When the question of these costs was initially brought up I mentioned, at that time, that I would like to receive certain information from Mr. Bushnell, from the corporation, and, in all fairness to him he provided almost exactly the information for which I had asked. But I stated at that time it may not be satisfactory, depending, of course, on a number of circumstances, to which I will make some reference.

Mr. Bushnell has just made another statement, and has, at this time, brought into it the position of the advertiser, and, in particular, the advertising agencies.

I am going to read a very short excerpt of what has been their official position, which was given to the royal commission.

Before doing that, I want to make it clear, Mr. Chairman, the point I am endeavouring to establish. This committee, if it is going to be successful, among its many areas of examination is going to have to determine, foremost, in what direction we are going with relation to costs and the expenditure of the taxpayers' money. Secondly, are we receiving value for the money the taxpayer is paying for the production?

I do not propose personally to become involved in determining whether one program is better than another, but I do feel the question of the costs must be foremost in our minds. In the statement we have been given by Mr. Bushnell it begins in relation to these costs, that perhaps the best that can be said of it is that of the ten examples the C.B.C. loses on eight of them.

The CHAIRMAN: That is on page 132 of our printed proceedings, gentlemen.

Mr. SMITH (*Calgary South*): Of these eight the amount that was lost is around \$50,000.

Mr. Bushnell goes on to say, in his report, as a justification of this, that based on their discussion with the advertiser and with the agent, the amount that is being charged against these productions is more than likely all the traffic will bear. The complaints of the respective advertiser indicates this. Quite obviously, I suggest to you, no advertiser, when approached by a sales executive, is going to say that he is happy with the price or wishes to pay more.

Obviously, his reaction is going to be, as it has always been in business, that the costs are too high.

These figures are useful purely to show us the need for a further examination of the costs in relation to the C.B.C. operation, and this is only one facet of costs I wish to examine, but it is an important one.

We have listened at some length to the suggestion that this would place, if we discuss these costs in some detail—place them in the position of identifying the companies. Then it would be said this would put the C.B.C., as a corporation, in an unfair competitive position, and it would also open the question as to the business practice between competitive companies, in that they also would be discriminated against; and it is said that this would disclose information which it was not in their interest to have disclosed.

We have been making comparisons all along of comparable situations in other countries; and, perhaps, Mr. Bushnell does not consider this is comparable. But I draw to the attention of the committee that in the United States—he refers quite often to trade publications—there is published exactly the information that we are asking for in this committee.

This information is published in trade publications which are open for anyone to see at any time, if they have the price of a quarter. They show the cost of these shows as a gross figure; cost in relation to average shows; and cost, including talent and production charges. These are costs which include the 15 per cent agent's commission.

The CHAIRMAN: Is that what the advertiser pays?

Mr. SMITH (*Calgary South*): I am reading right now from "Sponsor", which is a weekly trade publication on TV and radio that the advertisers use.

Mr. McCLEAVE: Mr. Chairman, the same material will also be found in "Broadcast", the business weekly television and radio, and Television Management Bagazine of Broadcast Advertising.

Mr. SMITH (*Calgary South*): I would like to make a final point. We have, in my view, got to receive a complete disclosure of the costs of operation of the corporation to determine whether or not this money is being spent in the best interest of the public of Canada.

We have got to determine what percentage of these costs are being subsidized by the taxpayor, in so far as the corporation pays a proportion of these various productions. We must determine whether or not we are receiving anything like the value the C.B.C. says we are receiving. We must determine whether or not the statement contained in Mr. Bushnell's initial statement and his subsequent remarks are based on fact or pure opinion.

I suggest the only way we can do that, if we are to fulfil our duty as members of this committee, is to ask for a complete disclosure. I am, therefore, going to move—but perhaps before I do that, let me read this, because Mr. Bushnell, after all, raised the question of advertising and agency costs.

The cost of producing live shows in Canada is not yet justified by the commercial return. The C.B.C. have sought to meet this by offering Canadian produced network shows at very substantial network discounts, designed to use the full amount of the advertising dollar as far as it will go. They encourage support of this policy by offering separate but related inducements to particular advertisers. They discourage and impede it by refusing to disclose the real costs, by denying the advertiser or agency any effective or audible voice in the production or personnel of the shows and by rejecting any financial advantages that could be gained by competition. In the result the advertiser has no assurance that he is getting what he is paying for and is restricted to supporting only that talent which is recruited by the C.B.C.

So, I maintain that the argument that the advertiser would object to this being opened up from a competitive standpoint—

The CHAIRMAN: Once again, you are quoting from what?

Mr. SMITH (*Calgary South*): I am quoting from the brief of the Association of Canadian Advertisers, presented to the recent Royal Commission on Broadcasting.

The CHAIRMAN: Thank you.

Mr. SMITH (*Calgary South*): Therefore, my argument is that the suggestion that the companies concerned, who have been paying for these productions, resent having this information made public is hardly valid, and that the people who carry on the contractual work for them made a protest of this nature.

Therefore, sir, I am going to move—and you may refer it to the steering committee, if you feel it is necessary—that all costs of production of both commercial and sustaining TV programs in both the English and French networks be presented, at the earliest possible date, to the Committee for the

last complete month, itemizing these costs and relating them to recoveries made from sponsors and other sources.

Mr. PRATT: I second that motion.

Mr. Chairman, in addition even if the C.B.C. wishes to maintain the confidence it has with the commercial sponsors, I see no difference between that and disclosing the costs of the program.

The CHAIRMAN: Any further discussion on the motion?

Mr. PICKERSGILL: Mr. Chairman, just before the motion is put: I wonder if the committee would object to hearing what Mr. Bushnell's comment is?

The CHAIRMAN: Yes, I think in all fairness to Mr. Bushnell and his associates, he should complete his statement, and then we will put the motion.

Mr. BUSHNELL: There is one thing I would like to make clear, and that is the question of costs. What the advertisers mean actually in that statement that was made to the Fowler commission is this, that they believe the C.B.C. is charging them for costs which should not be a part, any part, if you like, of the burden they have to bear.

In our costs,—the figures that have been given to you, gentlemen,—are included, not just talent charges, not just script charges, but we charge for everything. The studios are rented. We pay rental to ourselves for sustaining programs and when we allow—not "allow" an advertiser but, indeed, we invite him to use our studios, to use our mobile equipment, to use our cameras, or anything like that—then there is a charge included; and the amount that the advertiser is paying is a certain proportion of the total cost. We are dealing with a cost accounting basis; and, I think, quite properly. That is businesslike as far as I can see it.

All right. Those costs are in there. Now then, as a matter of fact, on top of that administrative costs are charged, the president's salary is charged, part of my salary is charged, part of our administrative set-up is charged, if the program originates in Toronto, and those charges are put in there. That makes these costs look abnormally high.

The CHAIRMAN: Is that not so with the N.B.C., the C.B.S. and A.B.C., in their method of cost accounting?

Mr. BUSHNELL: They probably do, but I know of certain cases, and I could not disagree with Mr. Smith on the point that these figures are published, but I would like to have it confirmed that the figures that are published are actually the figures or, at least, the amounts that are paid by sponsors. Because I happen to know this, that in many instances the American networks defray a part of the costs of programs; but there is a reason for that. In the United States they have a very large population, and they have 100-odd stations on their networks. They have standard rates, and when all that is added up they have a very substantial profit, if you like, from the sale of network time, and on their owned and operated station time, and so on.

There is not any question in the world about it, that in many, many instances the American networks—if we like to use that word "subsidy"—are subsidizing American advertising.

I can give you an illustration. Here, not long ago, a two-hour program —I think it was called "Meet me in St. Louis"—was put on by N.B.C. It was a spectacular. The production cost of that program was well over half a million dollars. If there is one advertiser in the United States who can pay anything like half a million dollars for that show, I would like to know who he is.

Mr. SMITH (Calgary South): There is a difference. You say American stations are subsidizing American advertising. That may well be true, and we have, for example, from this record a clear statement that the C.B.C. is

also subsidizing Canadian advertisers; but the difference is this, that this is being done with public funds, and, surely, we are entitled to know to what extent.

Mr. BUSHNELL: Let me turn the coin over and put it to you this way: Would you agree actually, instead of the C.B.C. subsidizing advertisers, advertisers to some extent, are subsidizing the C.B.C.?

Mr. FISHER: No.

Mr. BUSHNELL: Why not?

The CHAIRMAN: Mr. Fisher?

Mr. FISHER: I would like to ask Mr. Smith a question. I want to ask him, what was the effect of this presentation in so far as recommendations that came out of the Fowler commission are concerned?

We are considering a motion that is largely based upon a statement that Mr. Smith read.

Mr. SMITH (*Calgary South*): That is not correct. That statement, Mr. Chairman, so I may help out Mr. Fisher—and he apparently needs helping out—the fact is that this information was only read into the record because Mr. Bushnell's own statement mentioned they had enlisted the support of the Canadian advertiser. I am stating that where there is any argument it is based on the fact there would be some objections from the sponsor himself. The people who negotiate this business on behalf of the sponsor—namely, the Canadian advertising agents—have raised this objection, and that is why it is relevant.

Mr. FISHER: What did the Fowler commission recommend with regard to it?

Mr. SMITH (*Calgary South*): You have had an opportunity to read the report of the Fowler commission as well as I have had, Mr. Fisher.

The CHAIRMAN: Mr. Fisher, we are not questioning Mr. Smith; he is not a witness.

Mr. PRATT: There is some truth in what Mr. Bushnell has said. The sponsors, to some extent, are helping to subsidize, and it is quite obvious that both sponsors and the public are sharing the cost of these programs. But at least the sponsor knows how much he is paying and how much he is getting; and the public does not. Mr. Bushnell is to be complimented for fulfilling his responsibility to the sponsors; but the responsibility of this committee is first and foremost to the public.

The CHAIRMAN: Mr. Bell?

Mr. BELL (*Carleton*): I would like Mr. Bushnell to come directly to what, to me, is the issue, and then I am going to make up my mind as to how far it is important. It is a fact that in the United States with regard to any figures that have been produced there has been apparently, on the part of the advertiser, no objection at all to the production of this information, or on the part of the sponsors. If that be true in the United States, then what conceivable objection is there to the production of that information in Canada? That is an issue upon which I am going to make up my mind. I was impressed by Mr. Bushnell's initial statement, but the moment these were produced it seemed to cut the feet out from under everything Mr. Bushnell said.

Mr. BUSHNELL: I think the difference is this, Mr. Bell: as I have tried to explain to you the networks do make a profit on the sale of time. The advertisers in the United States apparently do not have any serious objection. Statements are made that P. & G. as a matter of fact, is spending \$9 million, Colgate-Palmolive \$7 million on television, and so on. But it has been our experience in the past that advertisers and advertising agencies in Canada have asked us not to disclose these figures on many, many occasions.

There is one other point I should like to make—

Mr. BELL (Carleton): Why would there be so much difference between the United States and Canada?

Mr. SMITH (Calgary South): How do you reconcile this?

Mr. BUSHNELL: I suggest actually you might well ask a representative of the A.C.A. or C.A.A.A. I cannot tell you that.

Mr. PRATT: Mr. Chairman, when Mr. Bushnell says "these figures", does he mean the cost to the sponsor or the cost of the program?

Mr. BUSHNELL: I think the cost of the program has been given to you, Mr. Pratt.

Mr. PRATT: In appendix A we have a very brief and, I think, a rather ridiculous list of costs. I think we need the identities and a proper breakdown of the costs.

Mr. FORTIN: Mr. Bushnell mentioned that part of the salary of the president, the rental of cameras, studios, and so on are included in the cost there. I would like to know in what proportion, in what percentage?

Mr. BUSHNELL: Mr. Chairman, I think a great deal of light could be brought to bear on this question if Mr. Gilmore—who has a statement to make and figures to put with the statement—might be allowed to do so at this time.

I do not want to hold up your motion, but I think it is only fair you should have the information we have prepared for you, which may help.

Mr. FORTIN: That will help us to find out if we are satisfied with the figures you are giving us.

Mr. BUSHNELL: Yes, that is right.

The CHAIRMAN: How long is your statement, Mr. Gilmore?

Mr. J. P. GILMORE (Controller of Operations, Canadian Broadcasting Corporation): Mr. Chairman, what I propose—

Mr. PICKERSGILL: I have a question I think I would like to put before this statement is read.

The CHAIRMAN: Mr. McGrath had a question before you, Mr. Pickersgill.

Mr. MCGRATH: I would like a little further clarification because, to my mind, this whole question revolves around Mr. Bushnell's statement that it is based on cost accounting.

The question I have is related to capital expenditure. I presume this system of cost accounting is carried over into your capital expenditure. This is not necessarily related to commercial programs, but to capital expenditure, and it has to do with this system of cost accounting.

I would like to refer to the hearing of the board of broadcast governors on March 16, 17 and 18. I would like to refer to pages 609 and 610 of the verbatim transcript of that hearing, to a statement by Mr. Bushnell to the Committee.

The statement in part reads:

May I also remind you of the fact that when the C.B.C. puts in its estimate it is also on a cost accounting basis. Part of my salary and even the office boy's salary is included in it, so that the figures are on a cost accounting basis and may seem somewhat higher to you than those of a private applicant.

Further on in the same transcript, at pages 617 and 618, there is an exchange of questions between the chairman of the board of broadcast governors and the C.B.C. official with regard to capital expenditure in Kenora, Ontario:

Dr. STEWART: What about the cost of installation?

Mr. RICHARDSON (of the C.B.C.): Kenora, \$95,000 capital.

Dr. STEWART: Is that cost accounting or straight capital?

Mr. RICHARDSON: "Straight capital."

Now I would like to have a clarification of that, because, to my mind, that is a contradiction.

Mr. BUSHNELL: Well, Mr. McGrath, it may be a slight contradiction; it might appear as such. But let me assure you of this; the way that question was put, as I understand it, was that Dr. Stewart was asking what the cost of installation would be. Incorporated in that cost, obviously, would be certain engineering charges, certain administration charges, and a number of other similar things. There is no doubt about it that this \$95,000 is not only for the transmitter and the transmitter house, or whatever is going in there.

The CHAIRMAN: Mr. Pickersgill?

Mr. PICKERSGILL: My question is coming back to this motion, Mr. Chairman. Mr. Bell said that he would make up his mind largely on the question of whether a satisfactory answer could be given to the question of whether the advertisers were concerned. I could not care less what the advertisers do about this. What I am interested in is whether the public interest would be injured by the disclosure of that information.

Mr. BELL (Carleton): That information was never—

Mr. PICKERSGILL: Perhaps Mr. Bell would allow me to finish. I did not interrupt him.

The only ground I can see for our not accepting Mr. Smith's motion—and I must say that he put up some powerful arguments for it today—is that which is used with the C.N.R. and other crown corporations since, that they would weaken their competitive position by disclosing information. Otherwise we should have the information.

I think we ought to have a statement from the officials of the C.B.C. as to precisely how this would weaken their competitive position; precisely in what respect.

The CHAIRMAN: We have already had that, have we not, Mr. Pickersgill?

Mr. PICKERSGILL: In view of the evidence produced by Mr. Smith just now I am not at all satisfied with the mere statement that is their opinion. I think that statement must be fortified by facts. That is to say, they would have to tell us how it would work out mechanically if this happened.

I can see what they try to do when they try to put on a program and conceal its cost, because an advertiser has to try and match competitively the highest bid they can get for it. This may be an answer to the question of how it is going to injure the C.B.C., injure their capacity to get more revenue out of advertising; and that is the only basis on which I could make up my mind, if that was made clear.

The CHAIRMAN: Mr. Smith, and then Mr. Lambert.

Mr. SMITH (Calgary South): Perhaps Mr. Bushnell would like to deal with the two questions together, or would you like to reply to Mr. Pickersgill now?

Mr. BUSHNELL: I can reply to Mr. Pickersgill this way: To us it is very simple. Let us take two competing companies. For example, in the electrical appliances field—or let us take the motor car field, the food field, the cigarette field—any one of them.

We go to the advertiser and say, "Here is a Canadian program of such and such a type, which we are prepared to produce, and to produce at such and such an hour." Let us say on Sunday night, Monday night or any night in the

week. That is fine. That advertiser then says to us, "How much is this going to cost?" We tell him what the costs are going to be, and he says, "We cannot afford it." We say, "Thank you very much, we will go to your competitor and see if he can afford it."

If we disclose those figures publicly we are going to be in a very difficult selling position in the future. I can assure you of this. I have been in the advertising field 25 years. I am familiar with the policies of advertising agencies. I have been manager of a private station and I know something about this. I know something about the complexities and difficulties of selling; and I have never known any situation more difficult or more complex than that which has developed since the advent of television.

The simple fact of the matter is that these programs which carry the advertising are C.B.C. programs, and we have residual rights. Some of these programs, as was mentioned the other day, are sold to the B.B.C., the Australian Broadcasting Commission, and some to the United States. They are programs we own, and we get money back. As a matter of fact, we take the advertising message out of the sponsored shows and send them over to England or the United States, where they can be used a second time; and we make money on that. That is another consideration: we hold what we call residual rights. They are our programs and not the advertiser's program; they are C.B.C. programs.

Mr. PICKERSGILL: I wonder if I can put this to Mr. Bushnell? I must say that I still think I have not quite made my point.

What it seems to me is, why is disclosure of the cost of production of these programs—which, I presume, is what Mr. Bushnell meant that he does not wish to disclose—why is that going to weaken your position as between one advertiser and another? After all, it is only competition that is going to determine that.

Mr. PRATT: That is exactly the question I asked a few moments ago.

Mr. SMITH (*Calgary South*): Mr. Bushnell said that he will reply to both questions, Mr. Pickersgill. He said that many times the sponsor and the advertising agency do come to you and ask you not to disclose the cost of these various productions. That is what you said, is it not, Mr. Bushnell?

Mr. BUSHNELL: That is correct.

Mr. SMITH (*Calgary South*): Mr. Bushnell, you are familiar with the association of Canadian advertisers?

Mr. BUSHNELL: Indeed I am.

Mr. SMITH (*Calgary South*): You were probably a member of it at one time?

Mr. BUSHNELL: No.

Mr. SMITH (*Calgary South*): Let us then put it this way: they know something about the field of advertising, and represent quite a number of advertisers. How, then, do we reconcile your statement, in which you are making a case that the sponsor does not want to have this disclosed, and yet such a large body which negotiates the costs with the sponsor, between the C.B.C. and the sponsor, say this in their brief:

In the result the advertiser has no assurance that he is getting what he is paying for and is restricted to supporting only that talent which is recruited by the C.B.C.

The first portion of that statement, I suggest, is very relevant to what we are discussing.

Mr. BUSHNELL: I suggest it is, too. But what do they mean when they say they do not know what they are getting? They get a breakdown; they know what the costs are; and they can come to us at any time and ask what

they are. My point is they do not want it disclosed. At that particular time, the Canadian advertisers were fighting to get control of the C.B.C. package programs.

Mr. PRATT: Am I right in understanding that the sponsors can get the figures?

Mr. BUSHNELL: Yes, the sponsors get them individually; but we are not going to give to Mr. Chrysler what General Motors spent; but, certainly, General Motors knows what the costs are.

Mr. PRATT: And the public is denied this privilege? This is amazing!

The CHAIRMAN: Mr. Gilmore, will you continue with your statement?

Mr. GILMORE: I am not clear whether this document has been tabled yet in the committee.

Mr. BUSHNELL: It is the C.B.C. television program cost and revenues.

The CHAIRMAN: It is appendix A, page 131 of the printed proceedings.

Mr. GILMORE: The statement I wish to make is attached to this. Firstly, I would like to say to Mr. Flynn's question of the other day, we have this morning deposited with the Clerk of the Committee the sustaining programs costs, French and English.

The CHAIRMAN: Thank you. They will be distributed later.

Mr. GILMORE: May I read this statement, Mr. Chairman?

Mr. SMITH (*Calgary South*): Are there copies of this statement available, Mr. Chairman?

Mr. BUSHNELL: I believe they were tabled, Mr. Chairman.

Mr. GILMORE: This is the document to which you have the current cost attached.

#### CBC Television Program Cost and Revenue Notes

The attached tabulations provide examples of typical program costs for ten programs seen during the month of January 1959 as part of the English language television network service.

On the revenue side, the main items are the sale of time and the program package charge. It should be noted in connection with revenues that the broadcasting industry has as its main commodity on-air time. Time is sold in the form of spot announcements and in the form of periods occupied by programs. In the examples given in the attached sheet, program time is represented by revenue to CBC and private affiliated TV stations.

The CHAIRMAN: Is it your intention to read this statement? I think every member of the committee has already read it. I thought you had some supplementary remarks to make regarding that statement.

Mr. GILMORE: Yes, and I wanted to pull them out.

The CHAIRMAN: All right.

Mr. GILMORE: I think that particularly is an important point to note, that the broadcast industry does not fundamentally sell programs. The broadcast industry sells as its main commodity, time.

I would like to introduce at this time a reference to our annual report for 1957-58 where a brief breakdown is shown of the part of our revenue which comes from time, and the part which comes from commercial package program contributions.

Sixty-three per cent of our revenue as shown in the statement of income and expenditures for 1957-58 in the annual report comes from the sale of time in the form of spot announcements and station time; and 27 per cent comes from package contributions from sponsors; while the balance is made up of inter-connection charges and charges for commercial messages on programs for which we charge, as we produce them in the live programs.

It must be remembered that the time occupied by these programs is time of the national TV network service which, by definition of the corporation's objectives, is to be programmed, along with all other service hours, to give a balanced and varied program fare. In seeking and obtaining participation of commercial sponsors in sharing the costs of these programs, the objectives are to provide clients with a vehicle for their commercial messages in one of the most effective impact media yet devised by man, while at the same time reducing the costs of these programs to the Canadian public.

I might say that I would like at this time to go back in time to the start of television. When the corporation started television in the fall of 1952 in this country, we studied various ways in which we could obtain sponsorship and still, under the direction of parliament, produce our own schedule, produce our own planned schedule of Canadian content.

The first plan that came to our attention was the one which is now favoured pretty much in the United Kingdom by commercial television, and that was the concept of producing a schedule and selling slots for commercial announcements which were not in any way related to the program. This was rejected pretty fully, and I think Mr. Bushnell will bear me out in that. It was rejected pretty fully by the people whom we met in the advertising fraternity and who were our prospective clients.

The next step we took was one which we implemented, and that was the placing a time charge on the station time which was large enough to cover the whole program cost. We did no commercial business worth going forward with on this basis because the advertisers and the advertising agencies would not participate in this sort of time charge.

We then came back to the approach which is pretty well, that of the United States networks and which is our current approach, and that is our station charges, and our charge for facilities for the program package. That is a little background of the way in which this thing is operated. As Mr. Bushnell said, it has been dictated largely because of the position in another area, that of program control.

In the United States the costs which are quoted in the trade magazines are, many times, not the costs to the network at all. They are the costs to the advertising agency, or the packager whose chief business it is to package programs for sale to clients; and as a subsidiary action, he buys time on the network to show that program.

That is the fundamental difference between the Canadian broadcaster and the American broadcaster; and I suggest, sir, that in this field also, there is one fundamental difference, and that is, that the network concerned is able to charge an advertiser a station time which is more than ten times the station time rates that can be charged in Canada for the equivalent time. Because, where there are 44 million television receiving sets in the United States, covered by the American television network, there are just over 3,200,000 in Canada. That is the reason our station time cannot be as high as we would like to make it in order to charge for our main commodity, and in order to make a profit.

Mr. PRATT: I think we realize in this committee that it is very difficult in a country the size of Canada with its small population to produce live television at a profit. It is almost impossible. Our question is to find whether or not the loss is worth the money.

Mr. BUSHNELL: May I ask Mr. Pratt another question. If it is not worth the money, would you suggest that the C.B.C. get out of commercial business?

Mr. SMITH (*Calgary South*): That has not been suggested.

Mr. BUSHNELL: We are operating at a loss.

The CHAIRMAN: Please continue.

Mr. GILMORE: Furthermore, commercial contributions to program production costs enable the CBC to improve the quality of these and other programs and, in fact, may enable the corporation to develop other service programming which would otherwise represent too high a cost.

Now a word about rates and program costs. If, as in the United States, our Canadian population was sufficiently dense to justify a high-enough time charge for CBC and private stations, then a possible profit could result from these commercial operations. It should be noted that time charges are based on the population covered by a given station. This fact is best illustrated, probably, if we recall that it requires some fifty television stations and over 4,000 miles of microwave network connections to achieve the population coverage in Canada which, in the United States or the United Kingdom, is attained with one station in New York or London.

The same commercial principles are applied in Canadian television program sales as are used in the United States. However, where there is a loss incurred in program production charges for major productions by United States networks, the station time charges more than make up for such losses.

As to the question of whether the CBS's commercial operations are not resulting in a high-enough charge to the advertiser, it is abundantly clear to our commercial sales people through sales resistance and from the definite statements of the Association of Canadian Advertisers and the Canadian Advertising Agencies Association to the Fowler Commission that our revenue is just about what the market will bear. They have complained about the high cost of television.

Mr. PRATT: I am merely trying to find out what programs are worth a loss, and I do not see why these facts should be kept from this committee.

The CHAIRMAN: Please continue, Mr. Gilmore.

Mr. GILMORE: I would like to continue with this statement:

Television is indeed an expensive medium. This is a well-known fact to C.B.C. program planning people and to the people who have developed television programming in this country. All the elements of the theatre, broadcasting, and the motion picture industries are combined here in the production of a varying program fare from hour to hour, from day to day, and from year to year. It might be of interest to take a quick look, however, at the program costs in Canada in comparison with those in the United States program apart from the examples given in the attached sheets, a category analysis will show that, for 90-minute dramas, the average United States program cost is \$135,000, whereas the C.B.C. cost is under \$42,000. In the hour drama category, the comparison is \$81,000 for United States productions and approximately \$29,000 for Canadian.

I would like to introduce a quotation from the president of the Columbia Broadcasting System which I think would be of interest to the committee. This quotation is taken from "Network Practices", a memorandum supplementing statement of Frank Stanton, president, Columbia Broadcasting System Incorporated, and it was prepared for the Senate Committee on Inter-State and Foreign Commerce by the Columbia Broadcasting System Incorporated.

The quotation reads as follows:

In 1955, the loss for commercially sponsored programs alone was in excess of \$7.1 million without any allocation of general overhead such as selling and administrative expense . . . It is estimated by C.B.S. accountants that an additional \$4.5 million in overhead expenses is attributable to program production. In total, sustaining programs and the loss on the sale of commercial programs cost more than \$22 million in 1955.

I would like to comment on the U.S. program costs which are published and from which we have quoted here, and which have been quoted in this committee. We have tried on several occasions to pin down a direct comparison between these costs and the ones which we quote. I would like to emphasize that the costs which we quote, as Mr. Bushnell described them, are over-all costs including overhead.

You will notice that approximately 67 per cent of the overhead in the table attached is what we call administrative overhead, and it is the over-all departmental cost of a national production; whereas the cost we are able to obtain from the U.S. industry publications are very broad averages, and we cannot determine whether administrative overhead is included in them, or if so to what extent. We suffer from this comparison, because we have been asked to make an internal check on our efficiency as compared to that of the networks efficiency, and after all we can only compare ourselves with equivalent network operations in the United States. So I just give you this information in checking these costs.

According to the comparison \$81,000 is for United States production and approximately \$29,000 for Canadian; that is in our dramatic category, and for just our dramatic production. The American average is \$41,400, and this compares with a Canadian average of \$11,350.

MR. PRATT: This is largely irrelevant to the motion which was to reveal Canadian costs.

THE CHAIRMAN: I realize that, Mr. Pratt, but the statement is practically over.

MR. GILMORE: Yes.

THE CHAIRMAN: I thought we should go along with his statement, and then put the motion.

MR. GILMORE: I will eliminate the question of the other costs.

THE CHAIRMAN: Please do.

MR. GILMORE: To summarize then, it would be correct to state the objectives of C.B.C. programming and sales people in the television production field is to produce a good schedule and to sell, at the best price possible, such of these productions as are available for sponsorship while at the same time maintaining the quality of the programs and as low a cost as possible.

THE CHAIRMAN: Thank you, Mr. Gilmore.

MR. BUSHNELL: I have one statement in answer to Mr. Pickersgill's question. In my statement I said that I firmly believe it would be prejudicial to the interests of the corporation itself, and if it is detrimental to the interests of the corporation it is detrimental to the interests of the public of Canada.

Let me enlarge on that: that if by disclosing these figures the C.B.C. is going to lose a \$2 million contract, it is quite conceivable then, I think, that it would be prejudicial to the interests of the C.B.C. and to the public at large.

MR. SMITH (*Calgary South*): You said you would lose a \$2 million contract as a result of disclosing this. How would you lose that?

MR. BUSHNELL: Time after time we have been asked not to disclose these figures publicly.

MR. SMITH (*Calgary South*): Is there any evidence whatsoever to support that contention?

MR. BUSHNELL: I cannot say that I have any evidence in writing, but I am informed by our sales force that such is the case.

MR. SMITH (*Calgary South*): You would anticipate the sales force in trying to contract a sponsor saying that conceivably his costs might be increased. Now, if you were a sponsor, what do you think your reaction would

be? Would you complain? Is it not human nature that they would show some resentment at increased costs?

Mr. BUSHNELL: Certainly, there is no question but that they would complain and they certainly have complained. But we are regarded as about the toughest bargainers in the country. Let me give you an illustration.

I am going to put it to you in the form of a question, if I may do so, if it is proper, Mr. Chairman, for me to ask advice of this committee: what would you do in a situation like this: where an advertiser comes along and he is one of the biggest advertisers in the country. He says: "Mr. C.B.C., this year I want to spend a very large proportion of my advertising budget in television. Now, I have diversified products. Furthermore I recognize the fact that I must cover the two basic areas in this country. My total appropriation for this medium of television is, approximately—I shall use a round figure—\$2 million. For \$2 million here is what I want: I am quite prepared to pay a very substantial proportion of the cost of a Canadian origination, but coupled with that, however, is this: that because of my diversified products, I must have other time on your network; I must have time to advertise the different products that I specialize in."

Now, I want to bring in a program from the United States which my parent company pays for. I pay a very small proportion for the rights, the talent and so forth; and on top of that, I want to bring in an American film which my parent company has bought, and which costs me nothing."

What is your answer going to be when he says: "Gentlemen, I have \$2½ million to spend, and I want to spend it. I am prepared to pay you a certain proportion of the cost or what I think is a fair proportion of the cost of this Canadian origination; and I am prepared to pay so much to you for 52 weeks in the year?"

What would you do? Would you take it?

Mr. SMITH (*Calgary South*): Were I taxpayer, I would ask you this: we recognize, as most of us have in sitting on this committee, that it is going to be a difficult thing to make commercial productions profitable. But if I were the taxpayers, or having to subsidize this particular sponsor to whom you referred, I would like to know first of all by what extent, or to what degree, or how long it will take, or on what basis—I would like to know if I were the taxpayers putting up their money, what I was getting in quality.

We keep talking about the quality of these productions and relating them to the cost which the sponsor has to pay for them; and before I would be in a position to answer your question I would like to know in what direction the C.B.C. was going, and on what basis or decision they have this flexibility to make these deals with various corporations.

It is conceivable, if human nature is as I think it is—and I am not suggesting any ulterior motives—that we may have a selection here which is not in any way related to the over-all costs, between the actual costs of the show and what the sponsor pays for it; and until we get a clarification of what this means, we do not know in what direction we are going, or whether we are getting quality. That is the reason for the motion.

Mr. MCGRATH: I want to deal with this matter by saying that there are certain advertisers in this country who cannot afford to do without television advertising; and since there is only one television network in Canada, I suggest that no matter how you look at it, the C.B.C. has the edge.

Mr. BUSHNELL: I have used that edge to good advantage. It has been a pretty sharp edge on occasion.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I listened with a great deal of interest this morning to what Mr. Bushnell was telling us in order to

justify his opposition to giving us the information which we require and which we asked for I think that up until now, as he has told us, he has not satisfied us inasmuch as he has used a hypothetical argument rather than precise facts. In particular, when he tells us that the sponsors of various C.B.C. programs will probably contemplate the possibility of closing their commercial relations, or bringing to an end their commercial relations with the C.B.C. if they produce these figures, or disclose them, I would like to know what this is in actual fact, really, concretely speaking. I would like an indication of this possible attitude of the sponsor.

Mr. Chairman, before hearing from Mr. Bushnell, concerning what I was just speaking about, I would like first to recall a few of the principles involved in this matter. The other day I said—and I wish to reiterate, Mr. Chairman—that a parliamentary committee is entitled to receive information on the administration of the C.B.C. This committee is entitled to receive such information because it brings together representatives of the people. We are, so to speak, the bookkeepers of the people.

This must not be forgotten; it is a fact which must not be overlooked. Mr. Bushnell spoke just now of the commercial aspect of the C.B.C. I want to indicate that this commercial aspect, this commercial side of the C.B.C., exists only because the C.B.C. was set up by an act which was voted into being by the representatives of the people and that it is empowered to have commercial relationship and to have commercial status only because the representatives of the people wanted it that way.

It is as representatives of the people that we can ask for this information because of the very facts which I have just mentioned. We wish to know what is happening in such and such a way, but we want to know what is the relationship between the cost of production and the quality of the program. We do not ask for these figures just simply for the purpose of conducting a moral inquiry, or to put the cost upon any particular people. What we want to know is what the programs are worth when they are paid for by the taxpayers, and we want specifically to know what part is paid for by the sponsors, and what part is paid for by the taxpayers.

I would like to add that we shall also ask for information on non-sponsored programs, and as I said the other day, the figures received do not give this information. Yet this is an important factor. So I would like to say that what we would want to know specifically is, in terms of the program, what the costs are so that we may know whether to continue or to maintain such a program.

The CHAIRMAN: Mr. Dorion.

Mr. DORION: (*Interpretation*) Mr. Chairman, along the same general line, and in order to obtain detailed information, perhaps Mr. Bushnell would be good enough to tell me if he can, if engagements or commitments have been made regarding publicity agencies, or sponsors by contract in such a way that the amounts they may have to pay for programs may not be divulged anywhere? I would like, for example, very much, to see, if possible, the form of contract so that I might examine it.

Mr. BUSHNELL: That can be provided. We would be very happy, but it would not be filled in, of course.

Mr. McCLEAVE: My question is supplementary to this main question. Are we dealing with anything more than an ethical problem here? In the past it has been decided not to prejudice one advertiser as against another by revealing the figures. In fact, non-prejudice was created by concealing the cost of these programs. Now the committee has asked—or it may ask that all these factors be brought into the open so that the advertisers would know

their relationship to each other. But is it anything more than an ethical problem?

Mr. BUSHNELL: I grant you that it is largely an ethical problem, but we consider it a little more than an ethical problem in that we feel it would be prejudicial to the best interests of the corporation to do it. I want to make one thing clear: the only reason in the world, and there is no other reason—why we hesitate to make these figures public is because of this whole competitive situation.

May I remind you, gentlemen, through you, Mr. Chairman, that the Fowler Commission has taken a look at all our operations. We have an internal audit and we have an audit by the Auditor General, and nowhere will you find—I am not mentioning this because you suggested it—but I want to make it clear there is no reason other than the reasons I have mentioned; there is no moral factor, there is nothing of that kind that has ever been suggested. I want to make that clear. I do not want to leave any doubt in anybody's mind.

Mr. CHAMBERS: We are not suggesting that. I would like to go one point further and say that for my part, I am making no suggestion, and I do not think anyone else here is either. But when that procedure is recommended by the Massey and the Fowler Commissions, that it should be continued by turning over sections of your time to advertising—this committee might possibly make a recommendation that instead of following the procedure that is now being followed—and as brought out in these figures which have been given to the committee on independent negotiations with each advertiser, it does seem to me to leave the possibility of inequitable treatment, and that one company is getting more of the public money than another.

We might recommend some fixed figure on sponsored programs because of distances and other matters which have been brought up—that one fixed percentage of the cost of a sponsored program should be borne by the corporation, and that the percentage should be the same for all advertisers.

It is open for us to formulate such a recommendation in our report from details and information.

Mr. ROBICHAUD: I realize that we have had this morning an elaborate and detailed discussion on the important motion which was introduced by Mr. Smith. It is a motion which really deserves very serious consideration because it involves not only the public interest but it also involves the policy of a national organization such as the C.B.C.; and if I am in order I move that Mr. Smith's motion be referred to the steering committee for decision.

The CHAIRMAN: There is already a motion before the committee.

Mr. SMITH (*Calgary South*): I think I should make it clear that in my initial statement I said I would be happy to move the motion or, if you wished, to have it referred to the steering committee. I think in fairness to the members of the committee I would be quite happy to have it referred so that the documents could be examined by all of us, or by a representative group of all parties. I think Mr. Robichaud's motion is a good one. I am agreeable to the suggestion that the motion be referred to your steering committee and that the decision of your steering committee be then made known to the general committee after a complete assessment of the evidence we have heard today.

The CHAIRMAN: Is that agreeable to you, Mr. Pratt?

Mr. PRATT: Yes, I think we can assume that regardless of whether the sponsor is a satisfied sponsor or vice versa, nevertheless, both the public and the sponsor are partners in this problem. We find ourselves in an anomalous position of one partner having all the facts and the other partner, the public, being kept in the dark.

I do not think we can continue to ask the Canadian public to go on paying for a pig in a poke. I go along with Mr. Smith's suggestion.

Mr. McCLEAVE: I would accept Mr. Robichaud's suggestion if he would use the words "for recommendation" instead of "for decision" of the steering committee.

Mr. FISHER: On the question of information, Mr. Bushnell, is this type of information available to people like Mr. Dunsmore, who is on your board of directors?

Mr. BUSHNELL: Definitely.

Mr. FISHER: Is this information available to the Board of Broadcast Governors?

Mr. BUSHNELL: If the Board of Broadcast Governors so decided, I imagine the C.B.C. would comply. This policy was started in 1938 when similar questions were asked by a parliamentary committee. Now I put it to you, gentlemen, that the policy has been adhered to since 1938 up to the present time. It was a policy established by the board of governors who were the former board. Now we have a new board of directors and, quite frankly, motion or no motion, I am not empowered to give you that information without reference to that new board of directors.

Mr. FISHER: I would like to make a motion, since other people have been making motions. If we have set up a Board of Broadcast Governors, and if we have a new board of directors who are supposed to be looking after this sort of thing, and if the main purpose of this committee is to examine the new broadcast legislation, and how it comes about, it seems to me that we are really in a blind alley in this particular motion.

Mr. FRATT: It seems to me that the information should be given to this committee even if the steering committee decides it should be given in camera, because this is the senior committee.

Mr. SMITH (*Calgary South*): The question of cost is still a vital factor to this committee when we are spending the taxpayer's money.

The CHAIRMAN: Is it agreed that this motion be referred to the steering committee for a recommendation?

Agreed.

Mr. BUSHNELL: I think it might follow as a sort of natural sequence, were we to receive the costs which have been asked for of the non-commercial programs; I mean a breakdown of them.

Mr. GILMORE: May I draw to your attention that we can provide a breakdown similar to this for the commercial exhibit already filed. This sustaining breakdown is quite extensive, and we can provide a similar breakdown for the commercial programs under the other exhibit.

The CHAIRMAN: Thank you, copies of the table on sustaining programs are being distributed now.

Mr. CHAMEERS: I have some questions on another area.

The CHAIRMAN: We had better deal with this first.

Mr. BUSHNELL: We are prepared to answer this morning if we have the time. It might throw some light on the other questions.

Mr. PRATT: These figures are for 39 weeks, in which period?

Mr. GILMORE: These are average costs, representative costs of individual programs, but not for the total series of programs.

The CHAIRMAN: What do you mean by "representative production costs" of one program?

Mr. GILMORE: Yes, one program.

MR. PRATT: We have Folio's artists' fees \$69,637. What period does that cover?

MR. GILMORE: That is one program outlined there, Peter Grimes. We were asked for the highest and lowest of the Folio series, and you will see they are on page 2.

THE CHAIRMAN: A Boy Growing Up and Peter Grimes.

MR. McCLEAVE: A Boy Growing Up did not have quite the appetite of Peter Grimes.

THE CHAIRMAN: No, he was growing up.

MR. GILMORE: In Peter Grimes there were many artists and the matter of long rehearsals.

THE CHAIRMAN: Are there any questions on these figures?

MR. BELL (Carleton): Is it not intended that at some time these should be sponsored programs?

MR. BUSHNELL: Mr. Bell, that again is a matter of policy. The corporation has reserved certain periods for non-commercial programs, and I may say this, that at the present time our board of directors is giving consideration to the possibility of changing that policy. What the ultimate position will be, I cannot say.

MR. BELL (Carleton): My point in respect of it, Mr. Bushnell, is that you did not hesitate in revealing actual costs of programs here which are now sustaining, and yet, at some future stage, you might wish to have them on a commercial basis. Would this not interfere with your so doing?

MR. BUSHNELL: Not necessarily so. I am afraid I cannot agree with you on that.

MR. MCGRATH: Just as an illustration, or for an example, getting back to the statement of Mr. Bushnell that costs are based on a cost accounting basis—and I presume that this holds true to the cost of the sustaining programs—in the case of the C.B.C. Folio program, Peter Grimes, where we have a grand total of \$147,376, would it not be possible to have a breakdown of how this cost was arrived at?

MR. BUSHNELL: Yes.

MR. MCGRATH: As to exactly what percentage of the operating cost of the corporation, as a whole, was incorporated into this cost.

MR. BUSHNELL: Yes, they are pretty much there, but we can break it down quite easily into the most minute detail.

MR. MCGRATH: I want to get the method of this cost accounting.

MR. GILMORE: In the case in point, may I draw to your attention, sir, that under administration overhead, \$8,456, that represents the cost which was mentioned.

THE CHAIRMAN: That is right. Then we will have the breakdown of these two shows, Peter Grimes and A Boy Growing Up.

MR. BUSHNELL: A further breakdown.

MR. JUNG: You have in part answered my question. I was disturbed about the column which is shown as "other costs". For example, the program Explorations, which is on the first page, the artists' fees are \$1,132, other costs, \$4,002. I wonder if we could have some other information as to what "other costs" might include?

MR. GILMORE: Mr. Chairman, to answer the question, "other costs" is a grouping which is not identifiable in any of the three preceding headings. "Other costs" embraces, basically, film costs and this varies widely between programs. You will have one Explorations program which has no film at all,

and another one which is probably 85 per cent film, shot over four or five weeks' time, then it is edited and so on. That we put in under "other costs".

Another example of this, one of the most important elements of "other costs" in the case of Explorations, is that on one program they bring in part of the program from Winnipeg, and the program is being produced in Toronto. This is brought in on what is called a closed circuit. In other words, the feed from Winnipeg to Toronto is not being broadcast as it is brought in but as it goes back out on another network. That is the closed circuit, and that comes under "other costs".

The CHAIRMAN: Have we permission to print this as an appendix? (See appendix A).

Agreed.

Mr. TREMBLAY: (*Interpretation*) Mr. Chairman, I have a few questions regarding Teletheatre, appearing on page 1. It is said that \$6,554 were earmarked for artists. Will it be possible to know what was this Teletheatre, indicated here, costing \$38,449, and how many artists took part?

Mr. GILMORE: Yes.

The CHAIRMAN: We can procure that breakdown. Any other questions, Mr. Tremblay?

Mr. FORTIN: There is one thing I want to know to help me to understand. I want to know if these are figures for one production.

The CHAIRMAN: That is right, for one production.

Mr. FLYNN: Not an average.

Mr. FORTIN: On page 2 there is \$700 for the commentator, because he is alone on that program. Every week he gets \$700?

Mr. BUSHNELL: I am afraid, Mr. Fortin, I cannot answer that.

Mr. GILMORE: In this case it is not a single program.

The CHAIRMAN: I think this should be drawn out. Can you give us additional information next week, Mr. Gilmore, as to whether it is one program or a series of five programs, or for the whole 39 weeks.

Mr. FORTIN: For how many programs?

The CHAIRMAN: You had one other question Mr. Tremblay?

Mr. TREMBLAY: (*Interpretation*) To complete the information which was required by Mr. Fortin, may I ask how many artists are involved in the program Point de Mire, and under the heading "Artists"? Do they include producers or just correspondents and so on?

Mr. TREMBLAY: (*continuing in English*) In other words, who is the Point de Mire?

Mr. TREMBLAY: (*Interpretation*) In other words, where is the bull's eye?

Mr. PRATT: I think this is typical of the kind of information we are trying to find, not only on the sustaining but also on the commercial programs.

I would like to ask one question, Mr. Chairman. How is that "administrative overhead" obtained in comparison to "total costs".

Mr. BUSHNELL: I think Mr. Henderson is sitting in the back of the room.

The CHAIRMAN: Would you like to answer that question, Mr. Henderson?

Mr. A. M. HENDERSON (*Comptroller, Canadian Broadcasting Corporation*): I did not hear that.

The CHAIRMAN: Then Mr. Pratt will repeat his question.

Mr. PRATT: I was asking how you obtain the administrative overhead in comparison to the entire cost. Is it entirely separate, or a percentage, or rule-of-thumb, or what?

Mr. HENDERSON: It represents a distribution of the over-all administrative overhead against the products we are turning out, namely, our programs. It is applied along orthodox lines to each program. We take our possible costs in the administration area, and we relate them to the product we are turning out, of which this is a sample, and we arrive at a percentage.

Mr. PRATT: Some shows might have a higher administrative cost than others, in proportion to their total cost?

Mr. HENDERSON: You reach a percentage, Mr. Pratt, and you apply that percentage on the costs up to that point.

Mr. McCLEAVE: May I ask a supplementary question here?

Mr. PRATT: In this case it is running about seven per cent.

Mr. McCLEAVE: In all the English shows the administrative overhead is a little over six per cent, and in all the French-Canadian shows the administrative overhead is a little over seven per cent. I have worked them out, and it is obviously over six per cent in the English and over seven per cent in the French.

The CHAIRMAN: Would you come up here, to the front please, Mr. Henderson, so that we can all hear you?

Mr. HENDERSON: Mr. Chairman, the generally accepted practice in applying overhead is to take the total cost that is represents and to spread that cost on a percentage basis against the products you make, whether in this case they are the tailor-made, the custom-made programs which we are turning out here, in the volume Mr. Gilmore has indicated, or whatever your product is.

Mr. PRATT: May I bring one or two more specific ones to your attention? "Mr. Fix It" on page one, a total cost of \$1,257, has an overhead of \$76; whereas a little further down we have "La Messe", for approximately the same total cost—within \$3—\$1,260, and an administrative overhead cost of \$92, which is a great deal higher than the \$76. How do you explain that?

Mr. HENDERSON: I would have to check the specific figures on this list before I could answer that.

Mr. BUSHNELL: I think I can answer it. I think it is rather simple. It would depend largely on the time consumed in the production of each of these programs.

Mr. PRATT: I hope, Mr. Bushnell, I am asking simple questions.

Mr. BUSHNELL: I am giving very simple answers, or trying to.

The CHAIRMAN: We are a very friendly group.

Mr. BUSHNELL: In the case of "Mr. Fix It" it might be that he prepares most of his material at home and gets in touch with the producer and says, "This is what I intend to do," and then he comes into the studio, let us say, the day of the program, and everything is all ready to go. He may consume, let us say, eight or ten hours, alltold.

In the case of the other programs, where there is a very slight difference actually, it might well be and sometimes is that the other program, "La Messe", takes a little more time to prepare.

I do not think you can compare one program with another in precise terms.

Mr. PRATT: I was not suggesting that you change your methods, by any means, but was merely trying to elicit the fact it is not as exact a science as I suspected.

Mr. McCLEAVE: I think Mr. Bushnell's answer is completely on the wrong track. If he will look at the figures he will find that for every English program the administrative overhead is a little more than six per cent of the

costs, and if he looks at the French programs he will find in every case it is a little bit more than seven per cent, so it is an exact science in this case. They have taken, I do not know how much for administrative overheads, and they are passing it on to each particular show on a percentage basis.

Mr. BUSHNELL: Mr. McCleave, may I ask your permission to take another look at that? I am qualified to give you the information as to what comprises the difference between the six and seven per cent.

The CHAIRMAN: I was going to suggest that Mr. Henderson bring in a breakdown of these two shows, based on the administrative overhead part, the \$76 and \$92, and let us then compare them and see if some formula is used.

Mr. LAMBERT: With a little bit of arithmetic it can be calculated. I think if you apply your 6.06 per cent to the English programs you come right on the nose.

Mr. MORRIS: I want to ask an accounting question, probably of Mr. Henderson, possibly of Mr. Gilmore. The total costs, is this under the direct control of the producer in each program?

Mr. GILMORE: Yes, it is.

Mr. MORRIS: Do you budget a certain amount for each show and—

Mr. BUSHNELL: Well—

Mr. MORRIS: You are about to say "No". But do you budget a certain amount and place it at the discretionary control of the producer, and then add the administrative overhead?

Mr. BUSHNELL: Under supervision, that is substantially true, but I think however, probably your question, Mr. Morris, will be answered when we get into Mr. Chamber's question as to the organization point—that we have to control expenditures and so on.

The CHAIRMAN: That is taken into consideration in a TV production?

Mr. BUSHNELL: Yes.

Mr. MORRIS: I am not asking about programming, but about the accounting procedure. You do set up a budgetary figure per show?

Mr. BUSHNELL: Yes, that is right.

Mr. MORRIS: And then place it in the hands of someone in a supervised discretionary capacity. Then you add this administrative overhead at headquarters.

Mr. BUSHNELL: That is correct.

Mr. McGRATH: I wanted to ask Mr. Bushnell: in relation to sustaining programs with a fairly substantial budget—if I may refer again to the "Folio" program, "Peter Grimes", for illustration—this would be a special production, I would take it. Is there any effort or is any attempt made to measure the audience, to have an audience count on these programs?

Mr. BUSHNELL: Yes, very definitely.

Mr. McGRATH: Would it be possible in the case of the program in question to get the audience count on it?

The CHAIRMAN: That is on "Peter Grimes" and "A Boy Growing Up". Do you want a comparison?

Mr. McGRATH: Not a comparison of figures, but an audience count of the program "Peter Grimes".

Mr. BUSHNELL: There is this one possible difficulty. I cannot tell you which week these surveys were made. This might not fall into the week on which "Peter Grimes" was produced.

Mr. MCGRATH: That is the basis of my question, sir, right there. The fact it is a special production with a fairly substantial budget, surely it would make sense there would be an audience count on this particular program; in other words, to justify the expense, if you like. What is the point of putting on an extravaganza if it is not going to be reviewed? That is my point in asking for the audience count with regard to this specific program.

Mr. BUSHNELL: We will certainly try to supply that information for you.

Mr. FISHER: On this question of audience rating, I tried to find out some information through a question placed on the order paper, and I was given no information, I gathered, because the C.B.C. only gets ratings for the first week in the month, usually; and I was just wondering how you correlate the ratings you do get with what Mr. McGrath was talking about, the expenditures you put forward.

Mr. BUSHNELL: I am not sure, Mr. Fisher, there is any direct correlation. But let me suggest this to you, that the period in which "Peter Grimes" was broadcast, under the title of "Folio", is pretty well known. It comes on at a certain time during the week, and almost any "Folio" program will give you a very large audience, quite surprisingly large. I think it would be safe to say that "Peter Grimes" probably had as big an audience as many of the others scheduled in that particular series.

Mr. FISHER: That is the point I wanted to bring out.

The CHAIRMAN: Mr. Tremblay and then Mr. Fortin; and then we will have to adjourn after that.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, following up and to complete my question of a short while ago regarding this program which we are shown on page one, that is, Teletheatre, I would like to ask regarding the section on design, staging, and so on. We have a figure of \$17,519. I would like to ask how much was paid for this Teletheatre? How much was paid in terms—I mean, how much was paid; who was the designer of the scenery; who was the designer of the costumes; who was the supplier of the material for the costumes and the scenery, and who was responsible for signing the invoices on behalf of the C.B.C.?

I would like to ask how many people took part in this work regarding scenery and the costumes?

Mr. BUSHNELL: We would be very happy to try to give you a breakdown of the number of people who were involved in this, and the amount of material involved, and the manhours involved. Once again, I hope I do not create the feeling that I am being too reluctant to answer questions; but I think the answer for the most part, as far as I know, would be that it was C.B.C. employees, and I would ask you not to ask me for individual names. I have a very good reason for it.

The CHAIRMAN: We agreed to keep personalities out of this at the beginning at our first meeting, as far as names go.

Mr. LAMBERT: If Mr. Bushnell does not wish to give us particular names, we would like to know how many there were.

Mr. BUSHNELL: You are quite welcome to it.

The CHAIRMAN: He agreed to supply us with the number.

Mr. PRATT: On a question of privilege, at page 82 of the evidence, line 25, the words "could well afford", should read "can ill afford".

Mr. FORTIN: I would like to ask Mr. Bushnell if his producer is given full authority to spend whatever amount of money he feels necessary for a production, or is he given a certain amount with which he must produce his show?

Mr. BUSNELL: He is given a certain amount for which he must produce his show, and he must stay within it.

Mr. FORTIN: But suppose he does not.

Mr. BUSNELL: I will tell you what happens if he does not.

Mr. PRATT: He goes on strike?

Mr. BUSNELL: No, he is told when he gets his next show that he had better pare the amount for his overexpenditure off that, or we will find somebody else who can stay within the limits.

The CHAIRMAN: We must close. We have a notice of motion from Mr. Guy Rouleau. It was a suggestion that we might have a French sub-committee, but it was recommended that we take this to the steering committee, and it was agreed in the steering committee that due to the fact that all the people in Canada—like each member of this committee—are interested in what is happening in French Canada, therefore we should continue with our French interpreter. Is that satisfactory?

Agreed.

I expect that the steering committee will meet this afternoon in my office at 3.30.

The next regular meeting of this committee will be on Thursday morning at 9.30.

THE FOLLOWING IS THE TEXT OF THAT PART OF THE  
COMMITTEE'S PROCEEDINGS CONDUCTED IN  
THE FRENCH LANGUAGE

ON TROUVERA CI-DESSOUS LE TEXTE DE LA PARTIE DES DÉLIBÉRATIONS  
DU COMITÉ QUI S'EST DÉROULÉE EN FRANÇAIS

M. TREMBLAY: Monsieur le président, j'ai écouté ce matin avec beaucoup d'intérêt ce que M. Bushnell nous a dit pour justifier son opposition à fournir les renseignements que nous demandons. Je pense que, jusqu'à présent, ce qu'il a dit ne nous satisfait pas parce qu'il s'est plutôt appuyé sur des hypothèses que sur des faits précis. En particulier, lorsqu'il nous a dit que les commanditaires des programmes, des divers programmes à Radio-Canada, envisageraient probablement l'éventualité d'une rupture de relations commerciales avec la Société si l'on produisait ces chiffres; je serais très intéressé à savoir, à connaître, enfin, quelles ont été pratiquement et concrètement les manifestations de cette attitude possible des commanditaires. Avant d'entendre M. Bushnell, je voudrais rappeler certains principes qui sont mis en cause ici. Je l'ai dit l'autre jour, je le répète aujourd'hui, le comité parlementaire a le droit d'obtenir des renseignements sur l'administration de la société Radio-Canada. Ce comité a le droit d'obtenir ces renseignements parce qu'il réunit des représentants du peuple qui sont comptables au peuple, il ne faut pas l'oublier. Et, justement, M. Bushnell faisait tout à l'heure allusion à l'aspect commercial de la Société Radio-Canada. Je tiens à faire remarquer que cet aspect commercial de la Société n'existe que parce que la Société a été constituée par une loi votée par les représentants du peuple et elle n'est habilitée à entretenir des relations commerciales, à maintenir un statut commercial que parce que les représentants du peuple l'ont bien voulu. Et c'est précisément à titre de représentant du peuple que nous demandons ces renseignements, parce que, eh bien, il est beau de dire que les choses se passent de telle ou de telle façon, mais nous voulons savoir quelle est la relation entre le coût de production d'un programme et sa qualité. Nous ne demandons pas des chiffres simplement dans le but de poursuivre une enquête pour, enfin, laisser peser des soupçons sur celui-ci ou celui-là; ce n'est pas cela. Nous voulons savoir ce que valent les programmes que les contribuables paient pour une part et ce que nous voulons précisément, c'est connaître quelle est la part payée par les commanditaires dans certains programmes commandités et la part payée par les contribuables. De la même façon, nous demanderons des renseignements sur des programmes non commandités, parce que, comme je le faisais remarquer l'autre jour, les chiffres qui nous ont été fournis ne donnent pas ces indications. C'est, en pratique, essayer de nous vendre un cheval sans nous le montrer. Nous voulons savoir, dans le cas précis d'un programme, ce qu'il a coûté avant de voir si nous devons continuer à maintenir ce programme.

\* \* \* \* \*

M. DORION: Monsieur le président, dans le même ordre d'idée et pour obtenir plus de précision, peut-être que M. Bushnell pourrait-il nous dire si des engagements ont été pris à l'endroit des agences de publicité ou des commanditaires par contrat à l'effet que le coût des programmes, la part qu'ils ont à payer pour l'exécution d'un programme, ne serait pas dévoilé nulle part? A cette fin, pour ma part, je serais très heureux d'avoir un exemplaire d'une formule de contrat afin de pouvoir l'examiner.

M. TREMBLAY: Monsieur le président, je désire poser quelques questions concernant le téléthéâtre indiqué ici en première page. On y indique un montant de \$6,554 comme cachet des artistes; serait-il possible de savoir quel était ce téléthéâtre qui est indiqué ici et qui a coûté, au total, \$38,449, et combien d'artistes y ont participé?

\* \* \* \* \*

Q. Page 2...

M. TREMBLAY: Je voudrais aussi savoir, pour compléter ces renseignements que désire obtenir M. Fortin, combien il y a d'artistes à ce programme "Point de mire". Est-ce que, sous la rubrique "artistes", on tient compte du réalisateur ou s'il s'agit simplement des participants, du commentateur et des figurants?

\* \* \* \* \*

M. TREMBLAY: Monsieur le président, pour compléter la question que j'ai posée tout à l'heure concernant le téléthéâtre indiqué ici à la première page, on a, sous la rubrique intitulée "Design & Staging", etc., le montant de \$17,519. Serait-il possible de savoir combien on a payé dans le cas particulier du téléthéâtre qui est indiqué ici, combien on a payé pour les décors et les costumes; quel a été le dessinateur des décors; quels étaient les dessinateurs des costumes; quel était le fournisseur du matériel et qui a signé les factures comme responsable, à titre de responsable de la Société Radio-Canada?

J'ajoute une autre question. Combien de personnes ont participé au travail du décor et des costumes?

## APPENDIX "A"

CANADIAN BROADCASTING CORPORATION SUSTAINING TELEVISION PROGRAMS  
REPRESENTATIVE PRODUCTION COSTS 1958/59 PROGRAM SEASON

Programs	Artists Fees	Tech- ni- cal Services	Design and Staging	Other Costs	Total Costs	Adminis- tration over- head	Grand Total
						\$	
Citizen's Forum	285	817	453	291	1,846	112	1,958
Téâtre	6,554	6,980	17,519	4,789	35,842	2,607	38,449
Fighting Words	440	217	384	574	1,615	98	1,713
Chansons canadiennes	2,597	1,240	2,601	908	7,346	534	7,880
Scan	165	549	398	576	1,658	101	1,759
Fon Fon	910	462	711	429	2,512	183	2,695
Country Calendar	777	563	1,033	553	2,926	178	3,104
Demain dimanche	1,710	1,324	2,674	827	6,535	475	7,010
Mr. Fix It	250	391	318	298	1,257	76	1,333
Heure du concert	13,221	6,084	14,046	2,950	36,301	2,640	38,941
P. M. Party	1,310	683	1,320	303	3,616	220	3,836
Il était une fois	400	239	415	344	1,398	102	1,500
Explorations	1,132	1,504	2,162	4,002	8,800	536	9,336
La Messe	75	1,008	—	177	1,260	92	1,352
Close Up	5,548	2,781	539	4,654	13,522	823	14,345
CP-ROK	2,668	1,712	4,127	2,189	10,606	778	11,474
Folio - (Peter Grimes)	69,637	16,651	40,485	12,147	138,920	8,456	147,376
Reportage	250	1,898	62	1,221	3,431	250	3,681
Folio - (A Boy Growing Up)	3,925	2,611	3,603	1,843	11,382	693	12,075
Point de mire	700	351	563	1,076	2,690	196	2,886
Whistlestop	447	577	1,071	2,181	4,276	260	4,536

May 25, 1959.





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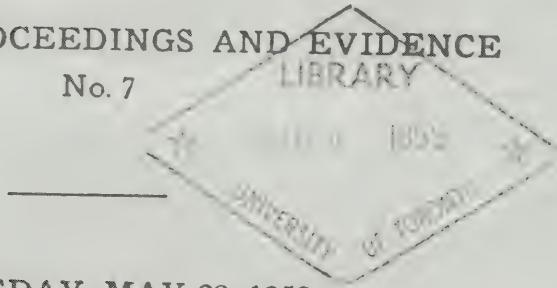
Second Session—Twenty-fourth Parliament  
1959

SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7



THURSDAY, MAY 28, 1959

CANADIAN BROADCASTING CORPORATION

WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;  
J. P. Gilmore, Controller of Operations; A. M. Henderson, Comptroller;  
and Marcel Carter, Controller of Management, Planning and Development.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* G. E. Halpenny, Esq.

*Vice-Chairman:* J. Flynn, Esq.

and Messrs.

Miss Aitken,	Fortin,	Nowlan,
R. A. Bell ( <i>Carleton</i> ),	Jung,	Pickersgill,
Tom Bell ( <i>Saint John-</i> <i>Albert</i> ),	Kucherepa,	Pratt,
Brassard ( <i>Lapointe</i> ),	Lambert,	Richard ( <i>Ottawa East</i> ),
Campeau,	Macquarrie,	Robichaud,
*Mrs. Casselman,	Mitchell,	Rouleau,
Chambers,	Morris,	Simpson,
Dorion,	†Muir ( <i>Lisgar</i> )	Smith ( <i>Calgary South</i> ),
Fairfield,	McCleave,	Smith ( <i>Simcoe North</i> ),
Fisher,	McGrath,	Tremblay.
Forgie,	McIntosh,	
	McQuillan,	

J. E. O'Connor,  
*Clerk of the Committee.*

\*Replaced Mr. Horner (*Jasper-Edson*) Tuesday, May 26, 1959.

†Replaced Mr. Chown Tuesday, May 26, 1959.

ORDERS OF REFERENCE

TUESDAY, May 26, 1959

*Ordered*.—That the names of Mrs. Casselman and Mr. Muir (Lisgar) be substituted for those of Messrs. Horner (Jasper-Edson) and Chown respectively on the Special Committee on Broadcasting.

ATTEST

Léon J. Raymond,  
*Clerk of the House.*



## MINUTES OF PROCEEDINGS

THURSDAY, May 28, 1959

The Special Committee on Broadcasting met at 9.30 a.m. this day. The Chairman, Mr. Halpenny presided.

*Members present:* Miss Aitken, Mr. Bell (Carleton), Mrs. Casselman, Messrs. Fairfield, Fisher, Flynn, Forgie, Fortin, Halpenny, Lambert, Macquarrie, Morris, McCleave, McGrath, Muir, Pickersgill, Pratt, Richard (Ottawa East), Robichaud, Simpson, Smith (Calgary South), Smith (Simcoe North) and Tremblay. (24)

*In attendance:* Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. J. P. Gilmore, Controller of Operations; A. M. Henderson, Comptroller; Marcel Carter, Controller of Management, Planning and Development; R. C. Fraser, Director, Public Relations; Charles Jennings, Controller of Broadcasting; Marcel Ouimet, Deputy Controller of Broadcasting; R. E. Keddy, Director of Organization; Barry MacDonald, Secretary, Board of Directors; and J. A. Halbert, Assistant Secretary, Board of Directors.

The Chairman observed the presence of quorum and communicated to the Committee the decision of the Sub-committee on Agenda and Procedure regarding the disposition of the motion made at the Committee's last meeting by Mr. Arthur Smith, Member for Calgary South.

It was agreed that Mr. Smith's motion be allowed to stand until the next meeting of the Committee to be held Tuesday, June 2.

Mr. Gilmore was called, and assisted by Mr. Henderson outlined methods of establishing administrative costs.

Mr. Henderson introduced details of the production costs of the programs "Peter Grimes" and "A Boy Grown Up".

*Agreed.*—That the above material be printed as appendices to this day's Proceedings. (See appendices A and B)

Mr. Carter was called and outlined to the Committee the administrative structure of a typical television program.

Messrs. Bushnell and Carter were questioned concerning areas of authority and control.

Mr. Tremblay requested corporation officers to produce for the next meeting of the Committee details of the production "La Plus Belle de Céans". Following discussion of Mr. Tremblay's request, it was agreed that the matter be referred to the Subcommittee on Agenda and Procedure.

At 10.55 a.m. the Committee adjourned to meet again at 3.30 p.m. this day.

## AFTERNOON SITTING

The Special Committee on Broadcasting resumed sitting at 3.30 p.m. this day. The Vice-Chairman, Mr. Flynn, presided.

*Members present:* Miss Aitken, Mr. Campeau, Mrs. Casselman, Messrs. Chambers, Dorion, Fairfield, Flynn, Fortin, Kucherepa, McCleave, Pickersgill, Rouleau, Simpson, Smith (Simcoe North) and Tremblay. (15)

*In attendance:* The same officers of the Canadian Broadcasting Corporation as attended this morning, with the addition of Mr. A. H. M. Laidlaw, Counsel.

The Vice-Chairman observed the presence of quorum, and Messrs. Bushnell and Carter answered questions relating to a Radio Program entitled "Man to Man" and comparison of the Canadian Producer's role in the field of television with his American counterpart.

At 3.40 p.m. the Members were summoned to the Chamber and the Committee recessed.

At 4.10 p.m. the Committee resumed; Mr. Carter commenced a statement on the method of establishing staff requirements for television operations and tabled for printing in the record a chart entitled "A CBC Television Production Variety Type". (See appendix "C")

At 4.20 p.m. the Committee recessed, Members having once again been summoned to the Chamber.

At 5.05 p.m., the following members present,—Bell (Carleton), Chambers, Dorion, Flynn, Fortin, Kucherepa, McCleave, Pratt and Tremblay, the Committee adjourned for lack of quorum.

J. E. O'Connor,  
Clerk of the Committee.

NOTE: *Text of the Proceedings recorded in the French language appears immediately following this day's Evidence.*

REMARQUE: *Le texte des témoignages recueillis en français figure immédiatement à la suite du compte rendu des délibérations de la séance d'aujourd'hui.*

## EVIDENCE

THURSDAY, May 28, 1959.  
9.30 a.m.

The CHAIRMAN: We have a quorum, gentlemen. You will recall that we had a sub-committee meeting yesterday afternoon, and I shall read the decision of that body, which is a recommendation to the committee as a whole.

A communication was received from the board of directors of the Canadian Broadcasting Corporation indicating that consultations were being held to review the policy of the C.B.C. with respect to disclosing information of the nature requested in Mr. Smith's motion. The steering committee is of the opinion that the directors of the C.B.C. should have full opportunity to submit to the committee any representations they desire.

Accordingly, the steering committee recommend a postponement of the vote upon Mr. Smith's motion until next Tuesday, to clear up any possible misunderstanding. However, the steering committee wishes to make clear that the decision on what information shall be produced to a parliamentary committee is a matter for parliamentary decision alone. Is that agreeable, gentlemen?

Mr. SMITH (*Calgary South*): I have no objection. I think it is reasonable that the board be committed to make their representations to the committee, provided there is a clear understanding, as the resolution states, that the vote will be considered and recorded at our next meeting. I think it is quite reasonable.

The CHAIRMAN: That is understood by the Chair and the steering committee, Mr. Smith.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I do not object to this decision of the advisory board, except I must say I am astonished that Mr. Bushnell did not think earlier of having this consultation with the directors of the C.B.C. It seems to me this causes a delay which, of course, can retard the work of the committee; so, even if I do not object to this decision of the advisory board, I publicly express, here and now, my astonishment at Mr. Bushnell's attitude in delaying this so long, making known this opinion which he now indicates, and I must say that, at the present moment, it seems to me the committee has not called upon the corporation to furnish us with much information, and if we have, each time, to refer to the board of governors, then we will not see the end of it.

I would like to say also, Mr. Chairman, that the replies we have so far received are, as a whole, of a somewhat vague type; everything is somewhat in the vague state. I looked, only yesterday, through the replies we have received and mostly they simply amount to saying, for instance, "I do not know" or "I think," and all the rest of it.

I think that those responsible for the C.B.C. should be able to give us—after all, they are quite experienced people—factual information such as we ask for.

Mr. ERNEST BUSHNELL (Vice-President, Canadian Broadcasting Corporation): Well, Mr. Chairman, just let me say this: I apologize to Mr. Tremblay and this committee if I had not the judgment and foresight to provide information which the committee felt was necessary. I am also sorry if Mr. Tremblay and this committee feel my answers have been vague.

Let me assure you of one thing: I am not trying to be vague: I am not trying to hide anything. I fully appreciate that this committee has, as have other committees in the past, the fullest right to a great deal of information. However, I do feel this,—and as I explained before, I am an employee of the C.B.C. We have a board of directors, and that board has only been in office since November 10. It has held several meetings and is, at the present stage, considering certain adaptations, if I might put it that way, of policy. There may be changes; there may not be changes; but I feel it is the responsibility of the board to indicate to management if such changes should take be made.

If I may again just say this: I have no wish, no desire, to try and hide anything from this committee which I think is in the interests of the committee, in the interests of the C.B.C., and in the interests of Canada.

The CHAIRMAN: Thank you very much, Mr. Bushnell.

Mr. FORTIN: Mr. Chairman, I agree entirely with what Mr. Tremblay has just said. I will have no objection to concurring with the recommendation that was made by the committee this morning, as long as we have the assurance that the vote will be taken on Mr. Smith's motion on Tuesday. We have been sitting here for I do not know how many days, and I believe we have not done much work so far. It is about time we got to work, because we have here a duty to perform, and we are going to do it, whether it pleases the C.B.C. or not.

Mr. SMITH (Calgary South): This question of reference to the board raised, I think, an interesting and an important point. Of course, I do have some appreciation of the position Mr. Bushnell finds himself in, but I say this, that it seems to me we may come to other considerations in which Mr. Bushnell feels that he wants a right of reference to his board. Obviously, we are not going to be able to anticipate some of those, but it immediately comes to my mind that if the board, for example, are going to present suggestions or views, should the board not be here to have those views examined?

The CHAIRMAN: On Tuesday, at our next meeting, I have invited Mr. Robert Dunsmore, chairman of the Finance committee of the Board of Directors, to be present.

Mr. SMITH (Calgary South): That answers the first point.

The second point is that I suggest it is not an unusual practice that when we, or other committees of this nature, have what amounts to being a civil servant, and a minister, the civil servant, if he is not in a position, in the absence of the minister, to answer a question directly, states, that immediately, and we merely set it aside until such time a policy-making body—that is, the board of directors—could appear before us. We would then have a list of those questions, and we can put them in sequence later on to those people who are responsible for the policy.

Mr. PRATT: May I correct several errors in the minutes. The first is on page 155, line 5. The word "difference" should be "relation", so the last half of the sentence reads: "I see no relation between that and disclosing the costs of the program". Another error appears on page 166, in the eighth line from the bottom. There are three words wrong in this sentence. I think probably I should read the sentence as it should have been: "Yes, I think we

can sum up that, regardless of whether the sponsor is subsidized by the public or vice versa, nevertheless both the public and the sponsor are partners in this project".

The CHAIRMAN: Mr. Fisher, please?

Mr. FISHER: I would like some information from you. It seems to be becoming a pattern in this committee on the part of certain committee members that, instead of asking questions, they are making statements. I have some views I would not mind expressing in the form of statements, but it seems to me it militates against the proper functioning of the committee.

This morning we have had statements that reflect upon the efficiency and competency of Mr. Bushnell and the people from the C.B.C. who have been before us. I do not want to make any comments on that, but I feel that if a reflection is going to be made on the progress of this committee it has to come back on the members of the committee itself.

I would like to know what your views are on this question of loaded statements and extended statements, in respect of questions which get off a member's chest, what is a sort of shot-gun blast at various features of the C.B.C.

The CHAIRMAN: I do not like it any more than you like it, but we start off with these as questions, and before we realize it they become statements. I would urge the Committee Members to keep these to a minimum, by all means.

Mr. McGRATH: I have a question or a suggestion, and I hope it is not a statement.

The CHAIRMAN: Has it to do with the postponement of the vote?

Mr. McGRATH: Yes. Would it be possible to have, before the board of directors of the C.B.C. appear before the committee, the breakdown on the occupation or the business affiliations of each director, the number of directors, and the number of times the new board has met since its inception?

Mr. BUSHNELL: Yes.

The CHAIRMAN: Yes. we can get that.

Mr. BUSHNELL: As a matter of fact, a great deal of that is already public knowledge.

Mr. McGRATH: I realize that, but I would like it for the record.

I also have another question, and that has to do with the financial statement of the C.B.C.; and I do not know if it is in order to bring it up at this time.

The CHAIRMAN: Not at this time, please Mr. McGrath.

I would like to get the committee's feeling regarding the recommendation of the Subcommittee as to whether we can delay this vote until next Tuesday.

Mr. SMITH (Calgary South): So moved.

Mr. BELL (Carleton): I second that.

The CHAIRMAN: Is that agreeable, gentleman?

Agreed.

Mr. PRATT: Mr. Chairman, in regard to Mr. Fisher's remarks, I would like to say this, that at no time has there been in my questioning any criticism of Mr. Bushnell personally, whom I have known very well for some time, and I admire greatly the work he has done; and as far as the C.B.C. is concerned, I think the committee know that they have swept the board in the United States with many radio awards. That is not the basis of our criticisms. I would like that understood.

Mr. BUSHNELL: Thank you, Mr. Pratt.

Mr. FISHER: You say "that is not the basis of 'our' criticism". You are identifying yourself with other criticism?

Mr. PRATT: I am speaking personally, for myself, and I want that clearly on the record.

The CHAIRMAN: Let us get down to business please.

For the rest of today I suggest we continue with sustaining Program Costs, samples of which were tabled and appear at page 176 of the sixth printed proceedings.

Then, after we have completed the questioning on that, I would suggest that we go along to the organization charts for which Mr. Chambers asked. Immediately the questioning is finished on the organization charts I would suggest that we then give our French-speaking Members a chance. They have a series of questions, and we can finish off this morning's period with as many French questions as possible—that is questions from the French-speaking members—and then, if necessary, we can continue this afternoon on questions relating to the French network. Is that agreeable, gentlemen?

Mr. FORTIN: At what time is that?

The CHAIRMAN: It will be 3.30 this afternoon. We will continue in the same way with translations, so every person will understand. Is that agreeable, gentlemen?

Agreed.

The CHAIRMAN: May we now have further questions on Sustaining Programs costs based on the table that you will find on page 176?

Mr. BUSHNELL: Mr. Chairman, may I ask Mr. Gilmore, our controller of operations, to deal with one aspect, and then Mr. Henderson, our comptroller, can elaborate on some of the questions you have asked.

The CHAIRMAN: By all means, Mr. Bushnell.

Mr. J. P. GILMORE (*Controller of Operations, Canadian Broadcasting Corporation*): Mr. Chairman, I would like to answer one particular question first. There was a question placed on the subject of "Point de Mire", and that concerned artists' fees. The artists' fees shown in the program in the table included a script plus three performers in the total amount.

All the programs listed are for one occasion only. They are all accurate costs from our records of actual programs, the dates for which we have.

The CHAIRMAN: They all relate to one program?

Mr. GILMORE: Yes, sir.

Mr. FORTIN: How many of these programs are there in a year—on "Point de Mire"?

Mr. GILMORE: One per week; and it would be 39 programs during the fall and winter before renewal of any contract for the summer season, which is 13 weeks.

Mr. FORTIN: You mentioned there are three performers on this particular show. I have noticed that sometimes there is only one on it. If there is only one, does he get the \$700?

Mr. GILMORE: No, sir.

Mr. FORTIN: How much does he get?

Mr. GILMORE: I will have to defer to Mr. Bushnell on that. That is an artists' fee paid to a specific performer; and I am not sure whether we reveal the actual individual artists' fees.

The CHAIRMAN: You will recall that we all agreed at the beginning of the committees' sittings we were not going to get down to personalities. If you try to pin it down to one individual, then we are getting down to personalities, and I would recommend that you do not continue in that way.

Mr. GILMORE: Mr. Henderson has the comments that were asked for on Teletheatre and on the two Folio examples—A Boy Growing Up and Peter Grimes.

The CHAIRMAN: Mr. Henderson?

Mr. A. M. HENDERSON (*Comptroller, Canadian Broadcasting Corporation*): Mr. Chairman, I believe it was Mr. Pratt who asked for the detailed costs, was it, on Peter Grimes?

Mr. MCGRATH: No, I asked for that.

Mr. HENDERSON: And A Boy Growing Up.

The CHAIRMAN: They are the high and low points in Folio.

Mr. HENDERSON: That is the high and low in the Folio series.

I have here the full details of these, which runs to about 32 pages, the details of which I will bring forth. But before doing so I think it might be useful were we to clear up a reference which was made at the last meeting to the basis of determining and apportioning overheads in these figures. Some questions arose regarding the column headed "administration overhead" in the sustaining television programs schedule.

I regret to say that on re-checking these figures, we found—due to pressure of events surrounding their preparation—certain errors crept in; and, therefore, they stand to be corrected, but not to any great extent. Rather than troubling you with the re-filing of the fresh figures, I thought it might be satisfactory were I to outline exactly what we do, how we do it and why we do it; and then to give you the particulars of the two Folio productions which you requested.

The standard practice, the standard accounting practice, in all lines of business, when reporting on the costs of the commodities produced, is usually to record, first, the direct manufacturing costs—that is, materials and labour. Factory or manufacturing overhead is then added as a percentage, to arrive at a final production cost.

Generally speaking, the product is then marked up for selling by means of a mark-up calculated to recapture the remaining expenses of the business,—that is, the general and selling expenses—and to provide a profit margin for the enterprise. As you will appreciate, this procedure is relatively easy when dealing with a range of standard commodities.

In the television industry the commodity is the program broadcast, and in the case of the C.B.C. we must appreciate this represents some 200 different live productions mounted every week over our television networks. Each one of these is a custom tailored production. There is nothing standard about them, except, as you will appreciate, the basic overhead charges.

We record our costs very much like a manufacturing business, beginning with the direct costs—in our case that is the artists' fees, the direct technical services for the show, the design, staging and the other direct costs which can be and are related directly to the production in question.

These are gathered together in what we call our program cost ledger. In the case of Peter Grimes, I have the ledger sheets right here. They are gathered together in our program cost ledger under the heading of the particular show. At this point, as I have said, we have our total of the direct production costs. We must then give consideration to adding a figure calculated to recover our regional overhead at the regional production centre where the show originates. This consists of the going expenses of the office of the director of television and all of the regional administration and supervisory departments

we have operating at the production centre, for the purpose of servicing our broadcasting.

As I have explained, and you will appreciate, it is not possible to allocate any of these charges directly against any single one of the productions, because it would be administratively impractical and altogether too costly to attempt, for example, to break down every nickel of overhead cost in the region just to be able to say precisely what amount is attributable to the particular show in question.

Accordingly, we follow the standard accounting practice by determining over a period of time—our last fiscal year, for example—the ratio that this overhead expense bears to the total production cost expense; that is, your total direct expenses.

Our practice is then to apply this rate to the direct program costs for the purpose of determining the final production cost. We are doing this on the basis of our experience out of the last fiscal year. In this way, then, we arrive at the costs of our individual programs.

Most businesses would submit their costs on this production cost basis, leaving it, as I have said, for the selling mark-up to recapture the remaining overhead and provide for the profit.

However, in the case of the C.B.C., it has always been the corporation's practice to submit its costs, when requested to do so by committees and bodies such as this—to include its full and final management supervision. That is to say, the sole cost of operating its head office supervision, up to the top—in other words, an all-in cost.

Accordingly, we estimate this by determining the ratio our head office, or management supervision bears to the total of our direct production costs, including the regional or production centre overhead I have mentioned. Our experience has been that this ratio runs to the order of seven per cent and, accordingly, we have applied this to the total production costs shown in the column headed "Administrative overhead" on our submission of individual production costs.

Now, sir, that is the basis that is followed. It is the standard accounting practice employed in cases of this kind, and if that explanation is clear, I might proceed with the Peter Grimes show staged over the network on January 13, from Toronto.

The CHAIRMAN: Does that satisfy you, Mr. McGrath?

Mr. MCGRATH: Yes.

Mr. PICKERSGILL: There is one question I would like to put. These overhead costs are obviously imputed costs. I notice they vary a great deal between programs. Is there some fixed ratio that is applied?

Mr. HENDERSON: Yes, the ratios that are applied, you take the direct costs as enunciated. We then add the regional recovery, and I described the overheads surrounding our production centre. That is 15 per cent. So we have the sum of the direct cost, plus 15 per cent, which gives us our total production cost.

To that we then apply seven per cent, to recover head office or management supervision. Then we have the final all-in cost. It is going further than is customary in presenting costs, but in an effort to try to spread the overhead of our shows and make it comprehensive we have adopted that method.

Mr. PICKERSGILL: I think I understand that now. However, perhaps I can ask one further question?

The CHAIRMAN: By all means, Mr. Pickersgill.

Mr. PICKERSGILL: That means the overhead that is going to be charged to the program will vary directly to the cost of the program: the higher the direct production costs of the program, the higher will be the share of the overhead?

Mr. HENDERSON: That is correct.

Mr. PICKERSGILL: In fact, the overhead really applied to a cheap show may be just as great as to a big one?

Mr. HENDERSON: You are applying the percentage?

Mr. PICKERSGILL: Applying the percentage is, perhaps, exaggerating the cost of the expensive shows and under-estimating the cost of the cheap show, because it may require just as much overhead as a big one.

The CHAIRMAN: I am wondering how else you could do it.

Mr. PICKERSGILL: I am not objecting to it, but some people are quite shocked by the cost of some of these shows, and I am suggesting that perhaps these imputed costs are really a little higher. If you divided the overhead of two half hour programs—another way of doing it, would be to take the overhead and divide it by two.

Mr. HENDERSON: There are various ways of doing that, but you will appreciate you are able to check the arithmetic at the end of the year and make it apply in other cases like this.

The CHAIRMAN: Will you continue with the other aspect?

Mr. HENDERSON: "Peter Grimes", as I say was staged January 13 in Toronto over the network.

You, Mr. Chairman and the members of the committee, might like to take a pencil, and I will try to make it as light as possible, but there is a great mass of material.

The CHAIRMAN: Could we have that printed as an appendix? Is it necessary for you to read it now?

Mr. HENDERSON: Exactly what you wish. I can give you a quick summary of it.

Mr. SMITH (*Calgary South*): We could have a summary, and attach the rest of it as an appendix.

Mr. McGRAH: The members can study it later, if we attach it as an appendix.

The CHAIRMAN: I think it would save a great deal of time if we could put it in as an appendix. Then, if there are any questions on it, we can ask them next week. Is that agreeable?

Agreed.

Mr. HENDERSON: I would like to clean it up a bit; it has all been done in the last four hours.

The CHAIRMAN: Would you clean it up and present it next week then?

Mr. HENDERSON: Yes.

The CHAIRMAN: Thank you very much, Mr. Henderson.

Could we get along to the organizational charts? Have you any questions?

Mr. McGRAH: Did I hear correctly, that you are suggesting this be presented as an appendix next week?

The CHAIRMAN: As soon as it is corrected. If we can get it corrected before next week, and get it in today, so much better.

Mr. McGRAH: I thought you implied it would be held over until the next committee meeting.

The CHAIRMAN: No.

Mr. SMITH (*Calgary South*): Do I understand we have the right of examining on this subject at some later point?

The CHAIRMAN: By all means.

Mr. HENDERSON: I have 24 schedules and it is in pencil and ink notes, because I have been cross-checking them very closely after they came right off the books of the corporation.

The CHAIRMAN: Could you go over them with our Clerk, Mr. O'Connor, and I think, possibly, we can get them in today.

Mr. HENDERSON: I also have, Mr. Chairman, equivalent data in respect of the show of May 5 "A Boy Growing Up", in Folio.

The CHAIRMAN: Right.

Mr. HENDERSON: That is in a somewhat shorter form than for Peter Grimes, because Peter Grimes is one of our major productions.

The CHAIRMAN: If it is agreeable we will have both placed in the appendix.  
Agreed.

Mr. SIMPSON: I am wondering—

The CHAIRMAN: On what point is your question, Mr. Simpson? Is it on the organizational charts?

Mr. SIMPSON: The sustaining programs.

The CHAIRMAN: All right, continue, please.

Mr. SIMPSON: In relation to Folio we have on here a high and low, and there is quite a significant difference in costs. So, I am wondering what relationship these other figures we have on programs bear to this. Is it a general, average figure for these programs each week, or would there be any of these programs in front of us here that might have high and low points?

The CHAIRMAN: For example, you cannot say with respect to Fighting Words, showing \$440 for artists' fees, whether that is the average, or a low or a high. Is that what you want to know, Mr. Simpson?

Mr. SIMPSON: Not just on artists' fees.

The CHAIRMAN: On the grand total. Fighting Words happens be \$1,713?

Mr. HENDERSON: Yes.

The CHAIRMAN: Do you want to know whether it is an average cost or the high or low?

Mr. SIMPSON: On any of them. We have no indication here.

Mr. GILMORE: Mr. Chairman, the situation on that is, we had the obvious choice of all of these of choosing either a high or low. As was pointed out in committee at the last meeting, the temptation of human nature might be to present a low figure. However, we did not do that and we took good averages, slightly above average for this particular program.

Mr. PRATT: Is the witness suggesting the C.B.C. is devoid of the temptations of human nature?

Mr. GILMORE: No, but that we try not to give in to the the temptations of human nature. These are slightly above the average. In the case of Folio, they are exactly what were asked for earlier; the lowest we had on record, and the highest.

The CHAIRMAN: I think that answers Mr. Simpson's question.

Mr. McGRATH: In respect to these sustaining programs—of course, this question could also be asked in relation to commercial shows—is there an obligation on the producer in question: is he given a certain specific budget and is he given certain definite instructions to remain within that budget and, if possible, to produce a show below the original estimate of the budget?

For instance, say a producer has "X" number of dollars to produce his show: he produces it for less than the original estimate: what happens to the original estimate—is it put over on to another show? I do not know if I have made myself clear.

The CHAIRMAN: I think you have.

Mr. GILMORE: The answer is, that our estimates are prepared by quarter, by the actual program schedule, and the producer is held as closely as possible to the estimate of the average for his series.

The CHAIRMAN: Very much the same as on the commercial shows?

Mr. GILMORE: Yes, both on commercial and sustaining programs. He is equipped with administrative assistance in the form of a unit manager on his program, to control the business side of it. The business side of it is maintained in this way, and the unit manager helps him in this respect.

Mr. McGRATH: Just as a hypothetical case: say a producer has four or five shows to produce at an estimated budget of \$5,000 each, and he produces three or four shows for \$3,000.

The CHAIRMAN: \$3,000 each, totalling \$9,000?

Mr. McGRATH: Yes: \$2,000 below the budget for each particular show. Can he then add to the fourth show what he saved on the three shows?

Mr. GILMORE: Not of his own volition, because there is a matter of planning involved here. We must plan three or four months ahead by program scope as well as just by period. It is quite possible that this is deliberate on his part, that he has been saving this particular amount of money because he knows that the fourth program—or the fifth—is a rather expensive production, which has been approved right up the line to Mr. Jennings, in the schedule for that quarter.

Mr. SMITH (*Calgary South*): Mr. Chairman, I am referring to the detailed breakdown of costs. It is pointed out that there are some errors in the administration overheads, and I am not going to deal with any amounts and I ask this only as a matter of quality. We see administration costs as applied to each of these programs. As an example, Peter Grimes, \$8,000 odd.

Looking at the income and expenses, we see a figure for administration of \$2,760,427, and for programs the figure is \$42,491,864. My question is: where do you show the individual administrative expenses for these programs? Do you show it under "Programs" or under "General Administration"? I want to try to establish whether the \$2,760,000 is actually a true figure of administrative costs.

Mr. HENDERSON: Not on the income and expense statement, no.

Mr. SMITH (*Calgary South*): I appreciate that; but with regard to the administration overheads shown for these programs, where do you apply it to your general statement?

Mr. HENDERSON: That is in various of the items shown in the income and expense statement. It is that portion of the expense on the statement applicable to head office or management supervision.

Mr. SMITH (*Calgary South*): It is not contained, then, under the general heading of "Administration"?

Mr. HENDERSON: There is a portion of it, I believe, in there. A portion of it would be in some of the other items.

Mr. LAMBERT: Mr. Chairman, following Mr. McGrath's questioning, let us take the reverse position of a man who is over-spending his budget. I believe at the last session there was a statement that he would be told to trim it off his next one.

The CHAIRMAN: That is right, on the commercial shows.

Mr. LAMBERT: Does the same thing happen on the sustaining programs?

Mr. GILMORE: Very definitely.

Mr. LAMBERT: Then how do you control the quality of your programs, because a man who has been inefficient, say, in his first program is given a second bite at the cherry in order to even out his budget?

Mr. GILMORE: That is strictly a matter of management and how you deal with the man concerned. We try to maintain the quality of the programs ahead of that time. If they are going over-budget, it is quite possible—if they were seriously over—that we might have to, firstly, curtail the scope of the last program, or ask for an additional allocation from a very small unallocated amount which we preserve for emergencies.

Mr. LAMBERT: This is a very interesting aspect. I think, where there is an opening for inefficiency to snowball from the beginning.

Mr. GILMORE: That is not permitted, in the form you have described.

Mr. LAMBERT: Is the producer given an opportunity to recoup himself by producing a lower budget show and, perhaps, a lower quality show?

Mr. GILMORE: Not necessarily a lower quality show, but one at a different budget. For example, the second Folio program shown in the table was quite a high quality type of production, but not the same type of production as Peter Grimes or as one of the large musicals we have done.

Mr. PRATT: In regard to the possibility of cutting costs, I wonder if Mr. Bushnell would inform the committee whether he foresees any eventual possibility of using the multi-camera technique with video tape, to avoid the time and expense of lengthy rehearsals and the "fluffs" and tension that occur on live programs?

Mr. BUSHNELL: We are exploring the possibilities of that right now and are providing ourselves with a number of video tapes. I think I said the other day that the minimum was 20, at \$75,000 each. Nothing is inexpensive in this business.

Again, we still have—as I think I mentioned before—to resolve any differences that might arise with artists and with technicians who belong to unions, if I might put it that way.

The CHAIRMAN: Is it agreeable, gentlemen, that we go to the organization charts?

Mr. MCGRATH: I have another question on this, Mr. Chairman. What are the obstacles, Mr. Bushnell—with regard to the C.B.C.—with reference to putting on amateur theatrical groups?

Mr. BUSHNELL: The obstacles are these. We have done it, and we are still doing it, actually. Talent Caravan is a good illustration. We were doing it for many years in connection with Singing Stars of Tomorrow. But our arrangement with artists unions is this—and the same applies, as a matter of fact, in a little different sense, as far as agreements with musicians are concerned. Let me refer to the C.C.A.A. first. We are able to obtain from this union what is called a work permit for a limited number of appearances. The work permit is something that we pay for: the cost is not extraordinary at all, it is comparatively small. But if an amateur, let us say—or a non-professional—continues to participate in programs, then that person is obliged to join the artists union.

The CHAIRMAN: Other than that, do you have to have a stand-in?

Mr. BUSHNELL: No, in the case of the C.C.A.A. we are not permitted to have a stand-in. In the case of the musicians union, we are obliged to have a stand-in if we are using an amateur musician, and we are obliged to pay that money to the local in which the performance originates.

Mr. MCGRATH: That applies to sustaining programs?

Mr. BUSHNELL: It applies to all programs.

Mr. MCGRATH: The point I would like to draw from that questioning is: Would it not be better, where you have a budget of \$147,376 for a production like Peter Grimes—one would think there would be little theater groups in

Canada who would certainly like to avail themselves of the opportunity to present a production like Peter Grimes, I am sure—.

Mr. CHAMBERS: Mr. Chairman, we are getting out of the line of questioning.

Mr. MCGRATH: The point I am getting at, Mr. Chairman, is that we hear so much from the C.B.C. about encouraging Canadian talent and Canadian culture, and we see so little on the network of the C.B.C. with regard to actual Canadian talent. We see the same faces week after week after week, and yet we have little theater groups all across Canada. As a matter of fact, I have a specific example in my own province. A few weeks ago—

Mr. FISHER: You have only one actor.

Mr. MCGRATH: No, we have more, and some of them are good actors. But the point I was drawing out was that there was a very successful experiment at a television drama festival. Surely there is a potential for this in Canada under the C.B.C. network, in place of a "turkey" like C.B.C. Folio?

Mr. BUSHNELL: Wait a minute; I am just not going to let you get away with that "turkey" business. I have before me here, as a matter of fact, a couple of press comments. Quite honestly, I did not enjoy Peter Grimes myself—it was a little over my head—and, as a matter of fact, I was a professional musician at one time. It was a little too rich for my blood. But I would just like to quote a very short paragraph that appeared in a Montreal paper with respect to Folio:

Folio has kept one eye on the stars, one foot on the ground and all other necessary appurtenances busy maintaining a working liaison between the two. It has been wholly successful, proving in the most satisfactory way that television can be at once slightly esoteric in its approach and a darn good show.

The CHAIRMAN: May I suggest, gentlemen, that we are again doing something that we all agreed we would not do; we are getting personal likes and dislikes into programming. We all agreed at the first that we would not do that.

Mr. MCGRATH: With all due deference, Mr. Chairman, that was not the point I was making; it was not a point of personal likes or dislikes.

Mr. BUSHNELL: May I answer that, Mr. McGrath. Actually, I think the illustration you have used to make your point is just a little bit—well, you are stretching it a little bit, because Peter Grimes, as we all know, is something that requires the very highest degree of professionalism. I would doubt, with all due respect—while there may be a very high standard of production in amateur groups—if there is any amateur group in this country that would be qualified to present a program like Peter Grimes. I would doubt it very much.

Mr. PRATT: Mr. Chairman, I would like to say a word on that. I agree with Mr. McGrath, that we should give amateurs every possible opportunity; but unfortunately—judging by the recent dominion drama festival—Canadian amateur talent is now at its lowest ebb, with the exception of the French Canadians from Quebec, who have taken eight of the nine awards.

Mr. BUSHNELL: Hear, hear.

The CHAIRMAN: Mr. Simpson, is your question on amateur talent?

Mr. SIMPSON: It is on programming.

The CHAIRMAN: On the sustaining programs on this list?

Mr. SIMPSON: It is not in relation to the ones listed here.

The CHAIRMAN: We were working on sustaining programs right now. We will get back to that later.

Mr. SIMPSON: This is on the American produced programs.

The CHAIRMAN: Let us have your question.

Mr. SIMPSON: I am wondering if there is any financial loss to the corporation on any programs produced, or any films brought in from the United States and sold commercially?

Mr. BUSHNELL: I am very happy to say that there is no loss, and in many, many cases—indeed, in practically every case—there is a very substantial profit.

Mr. CHAMBERS: Mr. Chairman, I had a question on how a program is produced, based on this chart, that I think might be helpful to the committee. I think it would be helpful to us if we got some knowledge on this before we went on.

Mr. BELL (Carleton): I suggest, Mr. Chairman, we should give Mr. Chambers the right of way.

The CHAIRMAN: Continue.

Mr. CHAMBERS: I looked through the chart produced the other day, and there are a few other positions—as I understand it—in the production set-up. I would just like to ask what the functions of these people are—shall we say—and how they tie into the production of programs.

In the first place, we have a position on the chart, director of a television station. There is a title, I believe, in Montreal, director of television; is that the same thing?

Mr. MARCEL CARTER (*Controller of Management, Planning and Development, Canadian Broadcasting Corporation*): Yes. If I may make a point right at the beginning in connection with the chart; this is a basic chart, and in its application might vary slightly from location to location, depending on the local circumstances.

Mr. CHAMBERS: There is an assistant director of television?

Mr. CARTER: That is correct.

Mr. CHAMBERS: There is a program director and, as I understand it, an assistant program director of television, and two assistant program directors. I was wondering if these are departmentalized somehow, or if they all have different functions?

Mr. CARTER: If I recall correctly, there is an assistant program director, and he has two persons with him, one in charge of production and the other in charge of the group of script assistants, for assignments and following up the work of those people.

Mr. CHAMBERS: There are a number of people bearing the title of "coordinator". There is in Montreal, I believe, a director of coordination, a coordinator of theatres, a coordinator of continuity, a coordinator of quizzes, a coordinator of variety shows and a coordinator of musical shows. Are they equivalent to your program production people?

Mr. CARTER: You may be using a literal translation of the French word "coordonnateur". Those are the supervising producers to whom we are referring here: you have music, drama, children's broadcasts, and so forth.

Mr. CHAMBERS: We have some evidence before us—not much—that school education work was begun in Quebec, and there is, I believe, a director of education, a supervisor of education for television and five program organizers for education. I was wondering what their duties were.

Mr. CARTER: They are not solely education; they are in the area of talks and educational broadcasts. What is the French for that, Mr. Ouimet?

Mr. MARCEL OUIMET (*Deputy Controller of Broadcasting, Canadian Broadcasting Corporation*): Directeur des causeries et des émissions éducatives.

The INTERPRETER: That would be in English—translating it on the spot—the director of talks and educational talks.

Mr. OUIMET (*interpretation*): We use the word "educational" in preference to "cultural"; we make a distinction.

Mr. CHAMBERS: What you really mean, in English, is more cultural than educational?

Mr. CARTER: That is right. The director operates both in radio and in television. He is a regional man; he is connected with the two French networks, radio and television. There are program organizers under him who work either in television or radio. Some of them may specialize on labour problems, others business, and so forth.

Mr. CHAMBERS: For each of these programs you have a producer, presumably?

Mr. CARTER: For each program there is a producer.

Mr. CHAMBERS: And you have a unit supervising producer?

Mr. CARTER: In Montreal and Toronto we have unit supervising producers, because you may have about 50 producers in Toronto and 80 in Montreal. They are assigned in different areas under the immediate direction of a unit supervising producer, who is in turn responsible for the program production.

Mr. CHAMBERS: These program organizers and the unit supervising producers, and the producers themselves, give an appearance of a multiplicity of authority here.

Mr. CARTER: You have to distinguish that in programming there are three areas, policy, planning and actual production. The director of talks and educational broadcasts is concerned with the planning, and his program organizers work with him in the planning. Once they have planned a series of programs, it is turned over to the production group, under the director of television, including the unit supervising producer and the producer himself, to put the program on the air. They are concerned with the actual production.

Mr. FORTIN: What are the actual duties of the unit supervising producer?

Mr. CARTER: The unit supervising producer's duties are given here, at the bottom of page 1. He assists the local program director in planning and organizing programs within his field; drama, variety, public affairs, and so on. Once the detail has been approved, he assumes responsibility for the production, including supervision of production staff, program expenditure and other costs.

The CHAIRMAN: You will recall, gentlemen, that this is all available in printed form right now. The duties of each one of these people appear in the appendix.

Mr. CHAMBERS: As I understand it, there is quite a separation between the planning and the production.

Mr. CARTER: There is a separation, but they have to meet together at one point. There has to be a close liaison.

Mr. CHAMBERS: When you have something that goes wrong—such as with regard to *La plus belle de Céans*, that was produced in Montreal, at great offence to a great many citizens in the province of Quebec—where, in this administrative machinery, is it felt?

I do not want to get down to names at all; but can it be said that for any given program one man is responsible from beginning to end and apportions this responsibility to the parties responsible for that program, and can be held by the corporation responsible for the results from beginning to end?

Mr. BUSHNELL: I think I would like to answer that question, Mr. Chairman. In the final analysis, as a matter of fact, the president and vice president are responsible; it is a corporate responsibility. We could go on down the line, it is true; but not for one minute would I avoid, or try to avoid, or give the appearance of avoiding the acceptance of responsibility. That, as I say, is a corporate responsibility, and in the final analysis, rests with the president and vice president, the controller of broadcasting, and others.

Mr. CHAMBERS: Who will apportion, obviously, the share of the blame if anything goes wrong. But the point I am getting at here is that there seems to be—to have been, in two cases—a breakdown in control. I want to know whether—obviously the president and vice president do not produce these individual shows—there is one person, whether it be the unit supervising producer, or the producer, or the coordinator of these various shows, who is responsible to the corporation for that show?

Mr. BUSHNELL: Yes, we have, and I am going to be quite honest with you and tell you that in both cases one or two links in that chain of command simply broke down.

Mr. CHAMBERS: Which of these titles on the chart is the man who is responsible for the show?

Mr. FORTIN: Who authorized the production finally?

Mr. BUSHNELL: Ultimately, the director of television in the area in which the program originated has the final responsibility. Then beneath him, again, the supervising producer, the director of programs, and the particular producer himself.

Mr. SMITH (*Simcoe North*): Is there not one man who is responsible for the content of a show who is finally responsible for the final content of the show—and the form in which it goes on?

Mr. BUSHNELL: In some respects that is true.

Mr. SMITH (*Simcoe North*): Who is that man?

Mr. PICKERSGILL: I would like to raise a point of order.

The CHAIRMAN: Mr. Pickersgill, I have been holding off Mr. Tremblay.

Mr. PICKERSGILL: I am raising a point of order, and my point of order is this, it is well recognized in the house and I suggest it should be recognized in the committee, that the person responsible for an organization is the person answerable; and this business of trying to go behind the president and vice president who is here, and responsible, and trying to isolate responsibility in individuals is not a proper function of this committee at all. Our function is to assess the work of the corporation and not to engage in a witch hunt after individuals; and it would be an entirely improper and inappropriate way to proceed.

Mr. CHAMBERS: There is no witch hunt going on. There is no witch hunt whatsoever involved in my line of questioning. We are here to examine the way the money of the C.B.C. is being spent. Part of that is the way the programs are administered. I am not after any individual. There have been complaints about certain programs; but I am not going after the individuals who produced them.

The CHAIRMAN: We all agreed we would not.

Mr. CHAMBERS: I have heard complaints from people who worked for the C.B.C. about the multiplicity of authority; they do not know who the boss is on the program level. What I am trying to get at is an understanding of the administrative machinery and the production machinery on an individual program. I do not have a particular program in mind and I do not know the names of individual program producers, concerning any particular program,

but this is an examination of the administrative set-up. I feel the C.B.C. have a very difficult job, having had an explosive growth on television, and I think they have done very well under the circumstances. On the other hand, there may well be some means which can be suggested by this committee.

The CHAIRMAN: Mr. Tremblay, you have been trying to get in for a long while.

Mr. TREMBLAY: (In French not translated):

The CHAIRMAN: Mr. Tremblay, this appears to be another statement. Is it a question or is it another statement you are making? May we have the translation?

Mr. TREMBLAY (*Interpretation*): It is a proposal.

The CHAIRMAN: All right, continue then.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, to follow up Mr. Chambers' question which he has just put, I too find the internal set-up of the C.B.C. as regards the programming seems to me to be very complicated, and my colleague mentioned the program we have all heard a lot of recently "La Plus Belle de Céans"; and we all know it is very difficult to find out who is responsible in this case.

As Mr. Bushnell has just said, it seems that it is he and the president who finally have to be answerable for this matter. Now, Mr. Pickersgill can call it as he did, "witch hunting", but if he feels the C.B.C. people are involved that is his business. For my part, I want to say here that I would like to propose the following to the committee: Considering the difficulty which has been brought about by this program, I propose that Mr. Bushnell, in concert with his C.B.C. colleagues, should produce at the next meeting of the committee—that is to say, next Tuesday—a detailed report on this program "La Plus Belle de Céans", and I would therefore propose that we would be particularly anxious to receive the following information: (1) who accepted the text; (2) who produced the program; (3) who accepted it as it was seen on the screen; and (4) who finally must reply to the questions which were put by the representatives of the people in the House of Commons and by the citizens, the people who have been disturbed by the program?

I propose, therefore, as I said, that a detailed report should be made on this subject, because I wish to emphasize that this is a matter of importance, and it is a matter which we, as representatives of the people,—and I insist on the point,—cannot remain silent about.

Mr. FORTIN: Mr. Chairman, this is on the same line, and I would like to ask a further question. I would like to know the breakdown of the cost of that particular production.

The CHAIRMAN: Certainly the costs can be produced. I think that the proposal of Mr. Tremblay should be submitted to the steering committee, at which time I think the steering committee should not only consider it, but ask the advice of the minister who is answerable to parliament for the C.B.C.

If that is agreeable, gentlemen, that is what I intend to do with Mr. Tremblay's proposal.

Agreed.

The CHAIRMAN: Continue, please, Mr. Chambers.

Mr. CHAMBERS: I want to go back from the particular to the general, again, and forget about the particular program. But could I ask this: as a result of these mistakes, has there been any thought given to correcting or revising this chain of responsibility, to strengthen the matter?

Mr. BUSHNELL: Yes, very definitely. And, then, let me make a confession: normally, we hold meetings on a closed circuit between Ottawa, Montreal and

Toronto, and these are held with great regularity, not less than every two weeks, and on many occasions—or, at least, many times—once a week; indeed, more often if any item comes up that our program people either in Montreal or Toronto feel should be referred to management. That is something that we began almost a year ago, and, again, I am the culprit.

During the rather strenuous time that we had between January 1 and well on into March I just could not find the time, and others involved did not seem to be able to find the time to continue those. Now then, we got back to trying very hard to get the wheels in motion again, to re-organize the Montreal situation, the Montreal organization; and that has taken a lot of time.

As well as that, some reference was made this morning—and I do not wish to harp on it, but we have in our books at the present time answers to 125 questions that we thought this committee might want answers to. That all had to be prepared.

Mr. McCLEAVE: What is our batting average, so far, Mr. Bushnell?

Mr. BUSHNELL: You fooled me once or twice—or, let me say, my crystal ball was not working in that particular field.

Mr. McCLEAVE: You are doing a "Harvey Haddix" on us?

Mr. BUSHNELL: No.

The CHAIRMAN: Continue, Mr. Bushnell.

Mr. BUSHNELL: Actually, you asked the question, if steps were being taken to see that those things that have happened will not happen again, and my answer to you is this: very definitely.

If I might at this time, Mr. Chambers, just say this, that we produce a great number of programs in all fields. We are not infallible; no one in the organization is infallible that I know of. We do not pretend to be; and we are bound to make mistakes. I am sorry, very sorry indeed that when we make one we really go all out.

Mr. CHAMBERS: Mr. Bushnell, I am very glad to hear that, and I realize that these mistakes will happen. However, I hope you are embarrassed by them less often in the future. Could you tell us this, in trying to avoid similar occurrences in the future, are you talking about changes of personnel in particular spots, or are you talking of the change in organizational structure at the local level?

Mr. BUSHNELL: Mr. Chambers, I think I can say we are doing more about organizational changes than any changes in personnel.

Mr. CHAMBERS: Would this lead to the point where one man, whatever his title would be, would have total responsibility for a show, or is that not possible in your business?

Mr. BUSHNELL: No, it is not possible; it is a group responsibility.

The CHAIRMAN: Miss Aitken?

Miss AITKEN: I would like to ask, Mr. Chairman, why there are 80 producers in Montreal and 50 producers in Toronto. Eighty producers seem to be a lot for one segment of the network. I wondered if you had any comparable figures from an American network, of how many producers they use?

Mr. BUSHNELL: I think I can answer that now, Miss Aitken. The output of the French network on live productions is considerably greater than that of Toronto.

The other point is this, that the method of producing programs in the United States, in many cases, is very different from that of the C.B.C., inasmuch as some of the American networks buy picked programs from outside organizations—the N.C.A., for example, is one; Jaffe organization is another.

Again, there is a difference in nomenclature, I guess you would say, and very often what we call a producer is, in the United States, called a director, or vice versa.

The CHAIRMAN: Mr. Smith of Simcoe North; it is along this line?

Mr. SMITH (*Simcoe North*): It is on the corporate responsibility point.

The CHAIRMAN: Right.

Mr. SMITH (*Simcoe North*): It is quite obvious the corporation has to be finally responsible for what goes out on the air, but is not there in these cases, or ought not there to be in these cases, one man who is finally responsible to the board of directors for the content of every program?

Mr. BUSHNELL: Let me put it to you this way, Mr. Smith: when you say "one man is directly responsible", ultimately he is, but I do not know of any-one man who could be personally responsible for the content of every program.

Mr. SMITH (*Simcoe North*): No, no: of each program.

Mr. BUSHNELL: Of each program?

Mr. SMITH (*Simcoe North*): Of each program.

Mr. BUSHNELL: I do not quite understand you—each program or each series?

Mr. SMITH (*Simcoe North*): No, each series. For instance, we will take a non-controversial one, *Maman Fon Fon*, which is a kindergarten program.

Mr. FORTIN: Is that the one you are listening to?

Mr. SMITH (*Simcoe North*): Is there not one man who is finally responsible for the content of that program to the board, or ought not there to be?

Mr. BUSHNELL: In that particular case I would say, again, the responsibility is somewhat divided. You would have to go back to the planning of the program, to the person who presented the idea. Then that idea is brought down to the supervisory level. It is then passed down to the producer.

The CHAIRMAN: Mr. Fisher, you had a question on this?

Mr. FISHER: Yes. Is it true the provincial authorities, or the provincial governments, have the authority, if they so want, to set up an agency to, in effect, censor television or telecasts, in the same way they do the distribution of film?

Mr. BUSHNELL: Mr. Fisher, that is a highly controversial question, and I am not competent to answer that.

The CHAIRMAN: Mr. Lambert next. Mr. Fisher, were you satisfied with the answer, or do you want to put a further question?

Mr. FISHER: I just wondered if that is not a fact. If that is the fact, perhaps the responsibility lies there, if the provinces want to exercise it.

Mr. BUSHNELL: That, again, is a matter of opinion, and legal opinion, actually. I will put it to you this way that—

The CHAIRMAN: Remember, you are not a lawyer.

Mr. BUSHNELL: No, I am not a lawyer.

Mr. FORTIN: Good for you. I am one.

Mr. BUSHNELL: I doubt very much if the provinces—and this is a personal opinion—have the right to exercise full and complete censorship over the program output of the C.B.C.

Mr. FLYNN: In fact, they do.

Mr. BUSHNELL: No, they do not. Mr. Flynn.

The CHAIRMAN: Mr. Lambert, on the same point?

Mr. LAMBERT: On the point raised by Mr. Smith; this follows straight up. Let us take program X. Is there anybody who has to stand up, any one particular person who has to stand up and reply to you, if you are going to give him hell for a bloop?

Mr. BUSHNELL: Yes.

Mr. LAMBERT: That is what we want to know: who is he?

Mr. CHAMBERS: And on what level is he?

Mr. BUSHNELL: He is the next level to me, Mr. Charles Jennings, and he has got hell on more than one occasion; and he is going to get it again.

Mr. PRATT: Mr. Chairman, this is aside from this, but further to Miss Aitken's question. Has the C.B.C. received any requests from advertising agencies to be permitted to use their own producers on shows?

Mr. BUSHNELL: Yes.

Mr. PRATT: What is the attitude of the C.B.C. in that respect?

Mr. BUSHNELL: That has been a matter of policy from the very beginning, because as I explained to you, the C.B.C. regards all its programs as C.B.C. programs. One of the difficulties, Mr. Pratt, that would arise and that has arisen is this—the effect is this—that to bring in an outside producer he might well find it a little difficult to work with a crew which is a unit. Let me put it to you this way, that the agencies certainly are not excluded from attending rehearsals and from expressing opinions, and their opinions are very often accepted.

Mr. PRATT: Is it not a fact that in the United States it is the practice, that this practice is followed and outside agencies have their own producers, highly paid producers as a matter of fact; and does not the C.B.C. carry out this practice in radio?

Mr. BUSHNELL: Yes, we did.

Mr. PRATT: Do you still?

Mr. BUSHNELL: There is so very little commercial radio.

Mr. PRATT: I am sorry I brought it up.

The CHAIRMAN: Gentlemen, I know you want to welcome before you Mrs. Casselman, as a member of our committee, one of the three best looking girls in the house; and Mr. George Muir of Lisgar, one of the three ugliest men in the house.

Mr. McCLEAVE: Mr. Chairman, do we follow on this afternoon on the subject of agencies or who has the say in the production of shows? Could we ask about that this afternoon?

The CHAIRMAN: If you ask it in French this afternoon, because it is going to be in French.

Mr. McCLEAVE (In French—not translated).

The CHAIRMAN: Gentlemen, this afternoon at 3:30. I am sorry I will not be here, but Mr. Flynn will be in the chair. I suggested to Mr. Flynn you keep on programming this afternoon, either French commercial or French sustaining programs. Is that agreed, gentlemen?

Agreed.

The CHAIRMAN: Until this afternoon at 3:30 in this room.

THURSDAY, May 28, 1959.  
3.30 p.m.

#### AFTERNOON SESSION

**The VICE CHAIRMAN (Mr. Flynn):** Ladies and gentlemen, I think we now have a quorum. Let us continue from where we left off this morning.

**Mr. CHAMBERS:** I have a few questions following from this morning. I wonder if Mr. Bushnell would tell us what action, if any, was taken in Toronto by the corporation as a result of this radio program *Man to Man*.

**Mr. BUSHNELL:** Yes, I would be very happy to tell you that the matter has been discussed very thoroughly and that those who were responsible for it have been reprimanded most seriously; and that if such a thing happens again, more serious action will be taken. Of that I can assure you.

**Mr. CHAMBERS:** Perhaps my next question should be addressed to Mr. Carter. I wonder if he could tell us about the position of a producer in the C.B.C. I gathered this morning that it was not the same—or, to put the question positively, is it the same, as I understand it, as that of a producer in the theatre or in television in the United States?

**Mr. CARTER:** The answer is no. A producer in the theatre or in television in the United States is responsible for making the business arrangements in connection with the show, hiring the people, and all management functions in connection with the show or program. The artistic aspects of the work are done by what they call the director.

However, in the C.B.C. the two functions are combined. This is a tradition which has remained from our radio operations and we have continued it in television, and we find that it has operated satisfactorily so far.

**Mr. CHAMBERS:** Is there any possibility of a conflict? You told us this morning that in certain areas the program organizers perform some of the functions of the producers. Who is the senior man, the program organizer, or the producer?

**Mr. CARTER:** First of all, we do not have program organizers in all areas. We have program organizers for talks, and for farm broadcasts, possibly. In those cases as far as planning the program is concerned, the program organizer will go forward and possibly do some of the work that a producer might normally do for another type of show.

The work of the producer in that case might be closely allied to that of a director, as I explained before in American television.

**Mr. CHAMBERS:** In that case the program organizer would be the senior man of the two? He could give directions and plan the show himself.

**The VICE CHAIRMAN:** There goes the division bell. We must adjourn now because of the vote in the house, but we shall return after the vote.

(On resumption of the committee)

**Mr. FORTIN (Interpretation):** Mr. Chairman, at this stage I think we would like to know about the administrative set up of the French network of the C.B.C. so I shall put a rather general question to Mr. Carter who undoubtedly is capable and qualified to answer it.

Could he tell us by means of this wonderful table we find before us, everything that happens from the time a program is first conceived right up to the moment it appears on the television screen.

**The VICE CHAIRMAN:** One moment. I do not think you mentioned the words "French network".

Mr. FORTIN: Yes, I mentioned both networks; I am interested in the same set-ups.

Mr. CARTER (*Interpretation*): Mr. Chairman, to reply to the question which had been put to me by Mr. Chambers, we had drawn up comments under the heading of method of establishing staff requirements for television operations. These notes have not yet been distributed, but they were given to the clerk of the committee. I do not know if he is in a position to distribute them now.

The VICE-CHAIRMAN: Is it agreed that we distribute them now?

Agreed.

Would it be agreeable to the committee if Mr. Carter gave us in French practically what is in these notes so that we could dispense with the translation? Is that agreeable to everybody?

Agreed.

Mr. CARTER: The number of staff required for live television productions is directly related to the program planning for each and every show. The sum total of staff required on any given television station or production centre is, consequently, the result of the load qualitatively and quantitatively at that location in terms of live production and also in terms of the maintenance of the various common services, such as accounting, personnel, publicity, etc., required for both radio and television production together with the maintenance of the station on-air operations.

These notes will confine themselves to an outline of the requirements for staff on a live television production and how these are built up.

The planning of a program starts with an idea from which an outline and, eventually, a script are produced. The program assignment is then made through the supervising producer of a given program area such as variety, drama, children's, etc., to a producer.

Mr. FORTIN (*Interpretation*): If the idea comes from outside, to whom is it first conveyed?

Mr. CARTER (*Interpretation*): Mr. Chairman, it depends on where it emanates from. If it is from a publicity agency, it might involve our commercial department. Furthermore, as I just said, talks, programs and rural services are in contact with various organizations.

The VICE-CHAIRMAN: Ladies and gentlemen, again we must adjourn for a vote in the house.

Mr. FORTIN: We could come back afterwards for an hour.

The VICE-CHAIRMAN: Do you wish to continue after the vote in the house.  
Agreed.

(The committee did not reconvene, because of lack of a quorum.)

THE FOLLOWING IS THE TEXT OF THAT PART OF THE  
COMMITTEE'S PROCEEDINGS CONDUCTED IN  
THE FRENCH LANGUAGE

ON TROUVERA CI-DESSOUS LE TEXTE DE LA PARTIE DES DÉLIBÉRATIONS  
DU COMITÉ QUI S'EST DÉROULÉE EN FRANÇAIS

(Page 181)

M. TREMBLAY: Monsieur le président, je n'ai pas objection à cette décision du comité consultatif, sauf que l'on me permettra de m'étonner, peut-être, de ce que M. Bushnell n'a pas songé plus tôt à faire cette consultation auprès du Bureau des gouverneurs. Il me semble que cette procédure apporte un délai qui est de nature, évidemment, à retarder les délibérations du comité.

Alors, même si je n'ai pas d'objection à cette décision du comité consultatif, je me permets d'exprimer ici publiquement mon étonnement devant l'attitude de M. Bushnell d'avoir retardé aussi longtemps à faire connaître cette opinion qu'il a maintenant et qui est d'ailleurs très récente. Et je dois vous dire qu'au rythme où vont les choses actuellement, il me paraît que le comité n'est pas appelé à nous fournir beaucoup d'informations puisqu'il nous faut, à chaque fois, référer au Bureau des gouverneurs, et il semble que l'on n'en sortira plus.

Monsieur le président, je désire aussi signaler que l'ensemble des réponses que nous avons eues jusqu'à présent est plutôt vague; tout demeure plutôt flou. J'ai fait hier une longue révision de ces réponses et, dans la plupart des cas, on se borne à dire: "Eh bien, on ne sait pas"; "je pense", etc. Il me semble que les responsables de la société Radio-Canada pourraient nous fournir, et assez vite,—puisque'ils ont une expérience déjà vieille, déjà ancienne,—les renseignements factuels que nous demandons.

\* \* \* \* \*

(Page 195)

M. TREMBLAY: Monsieur le président, pour faire suite aux questions que vient de poser M. Chambers, je trouve, moi aussi, que l'organisation intérieure de Radio-Canada, en ce qui concerne les programmes, me paraît bien compliquée, et comme mon collègue faisait allusion à une émission que nous connaissons bien, "La plus belle de céans", nous remarquons qu'il est bien difficile de trouver, dans le cas présent, le responsable.

Comme vient de le dire M. Bushnell, il semble que ce soit lui et le président qui, en définitive, aient à répondre de cette émission. Mon ami, M. Pickersgill, peut fort bien appeler cela la chasse aux sorcières, et s'il appelle sorcières les responsables de Radio-Canada que nous essayons de découvrir, c'est bien son affaire.

Pour ma part, je propose ceci au comité: Étant donnée la difficulté que pose cette émission "La plus belle de céans", je propose que M. Bushnell, de concert avec ses collègues de la société Radio-Canada, produise d'ici la prochaine réunion du comité, soit mardi prochain, un rapport détaillé sur cette émission "La plus belle de céans". Voici les points qui m'intéressent particulièrement et qui, je crois, intéressent le public. Qui a accepté le texte? Qui a monté ce programme? Qui a accepté le programme tel qu'on l'a vu, tel qu'il a été réalisé, et qui, en définitive, doit répondre aux questions qui ont été posées par les représentants du peuple à la Chambre des communes et par les citoyens qui se sont inquiétés de ce programme?

Alors, monsieur le président, je propose donc qu'un rapport détaillé nous soit fait à ce sujet, parce que, je tiens à le souligner, l'importance de cet incident est telle que nous, représentants du peuple,—et j'insiste là-dessus,—ne pouvons garder le silence...

\* \* \* \* \*

(Page 198)

M. McCLEAVE: Je demanderai les renseignements en français.

\* \* \* \*

(Page 199)

M. FORTIN: Monsieur le président, à ce stade-ci, je crois qu'il serait intéressant pour les membres du comité de se familiariser un peu avec le rouage administratif des réseaux français et anglais de Radio-Canada. Je poserai par conséquent, une question d'ordre assez général à M. Carter qui, je crois, serait l'homme qui pourrait nous répondre. Je voudrais lui demander de nous expliquer, au moyen de ce magnifique tableau que nous avons sous les yeux, tout ce qui se passe à partir du moment où l'idée d'une émission est conçue jusqu'à la pleine réalisation de cette émission.

\* \* \* \*

(Page 200)

M. CARTER: Monsieur le président, en réponse à une question de M. Chambers, nous avions préparé des commentaires sous la rubrique "Method of establishing staff requirements for television operations". Ces notes-là n'ont pas encore été distribuées, mais on les a remises au secrétaire du comité. Je ne sais pas si vous voulez les distribuer immédiatement.

\* \* \* \*

Monsieur le président, pour déterminer le personnel requis pour les émissions de télévision d'un poste, il nous faut établir les besoins pour chacun des programmes qui formeront l'horaire d'un poste. Le total du personnel dans un centre de production dépend du genre, de la qualité et du nombre des émissions en direct. Nous devons aussi tenir compte des besoins des services auxiliaires, tels que la comptabilité, le personnel, la publicité, les services techniques, etc.

Dans ces commentaires, je vais me limiter à indiquer quel personnel est requis pour une émission de télévision en direct et comment les besoins sont déterminés.

Si vous examinez la charte qui est là,—je ne sais pas si vous pouvez suivre très bien,—un programme de télévision commence d'abord par le développement d'une idée. Cette idée peut émaner d'un chef de service, du directeur des programmes, du directeur de télévision. Une agence de publicité peut soumettre une idée; elle est discutée et si elle est acceptée, un scénario peut être préparé. Alors, on demande à un auteur de préparer un texte.

M. FORTIN: Monsieur Carter, si l'idée provient de l'extérieur, a qui est-elle d'abord soumise?

M. CARTER: Cela dépend d'où elle vient. Si c'est un commanditaire représentant une agence de publicité, probablement que l'idée sera transmise à notre service commercial.

Par ailleurs, comme je l'ai mentionné tout à l'heure, vous avez le service des causeries, le service des émissions rurales, qui ont des contrats avec des associations. Alors, ces associations-là...

**APPENDIX A)**  
**TELEVISION PROGRAM COST LEDGER SHEET**  
**CANADIAN BROADCASTING CORPORATION**

TELEVISION PROGRAM COST LEDGER SHEET  
CANADIAN BROADCASTING CORPORATION

"PETER GRIMES"

## SCHEDULE I

TECHNICAL

Technical Operators	Program planning 119 hrs.		
35 Operators assigned on	Audio set up 12 hrs.		
January 12th and 13th.	Lighting set up 123 hrs.		
	Technical set up 152 hrs.		
	Remote set up 12 hrs.		
	Rehearsal & show 1504 hrs.		
	Clean up <u>162 hrs.</u>		
	2084 hrs. @ \$2.70 -		\$ 5,627.00
Master Control	37½ hrs. @ \$5.50 -		206.00
Telecine	15½ hrs. @ 18.50 -		287.00
Rehearsal halls	250½ hrs. @ 12.00 -		3,006.00
Studios	37½ hrs. @ 17.50 -		656.00
Studio facilities	140 hrs. @ 17.50 -		2,450.00
			<u>\$ 12,232.00</u>

This production used two rehearsal studios simultaneously at a total of 37½ hours full facilities spread over three camera days.

212648-34

"PETER GRIMES"

## SCHEDULE II

PROGRAM PRODUCTION

## Producers

Franz Kraemer	346½ hrs.		
Eric Till	<u>90 hrs.</u>		
	436½ hrs. @ \$8.00 -		\$ 3,492
Script Assistants	553½ hrs. @ 5.00 -		2,769
Production Assistants	436½ hrs. @ 5.00 -		2,184
Booth Announcer		10	
			<u>\$ 8,455</u>

NOTES Franz Kraemer was the over-all producer controlling from Studio 7 with Eric Till controlling portions from Studio 1.

The total hours for the Production Assistant are mostly those of Alwyn Scott. About 70 hrs. of the total were incurred by John Coulson the Production Assistant with Eric Till in Studio 1.

The Script Assistant was Carol Armstrong and again the majority of hours were hers with the addition of Judith Strand who was part of the production unit in Studio 1.

"PETER GRIMES"

## SCHEDULE III

Performers' fees

Principals (Schedule III a)

\$ 14,630

Host, Chorus and supernumeraries  
(Schedule III b)

35,211

Total

\$ 49,841

"PETER GRIMES"

## SCHEDULE III a

PRINCIPAL PERFORMERS

1.	Principal, negotiated fee	\$ 2000.00
2.	Principal, negotiated fee	2000.00
3.	Principal, scale 148 hours rehearsal, plus 9 hours overtime	907.50
4.	Principal, scale, 125 hours rehearsal, plus 9 hours overtime	802.50
5.	Principal, scale, 129½ hours rehearsal, 9 hours overtime	817.50
6.	Principal, scale, 129½ hours rehearsal, 9 hours overtime	817.50
7.	Principal, scale 123 hours rehearsal, 9 hours overtime	782.50
8.	Principal, 105 hours rehearsal, 9 hours overtime	692.50
9.	Principal, scale, 140 hours, extra rehearsal, 9 hours overtime	870.00
10.	Principal, scale, 133½ hours, 9 hours overtime	835.00
11.	Principal, scale, 99 hours and 9 hours overtime	632.50
12.	Principal, scale, 101½ hours, 9 hours overtime	675.00
13.	Bit, scale, 49½ hours	\$ 297.50
14.	Understudy, negotiated fee	1000.00
15.	Music consultant, negotiated fee	1500.00
		_____
	TOTAL	\$14630.00
		=====

PERFORMERS FEES

Off Camera Chorus	32 singers for 36½ hours rehearsal plus show average \$236.00 each.	\$ 7,557.50
Conductor	Negotiated fee	600.00
		<u>\$ 8,157.50</u>
Bits and Supers	11 bits for average of 33 hours each. Average \$210.00 each.	\$ 2,322.50
Host	Negotiated fee.	200.00
		<u>\$ 2,522.00</u>
On camera Chorus	Group of 37 singers at scale for 107 hours rehearsal average plus 9 hours overtime. Average \$663.00.	\$ 24,531.75
TOTAL		<u>\$ 35,211.25</u>

SCHEDULE IV"PETER GRIMES"MUSICIANS

Rehearsal pianists	297½ hours at \$10.00 an hour	\$ 2,975.00
Conductor	Negotiated fee	1,000.00
Orchestra	59 men for 32 hours each, average \$241.00 each	<u>13,276.00</u>
TOTAL		<u>\$17,251.00</u>

"PETER GRIMES"SCHEDULE VPROGRAM PRODUCTION

Travel and Living Allowance - principal singer (per diem of \$15.00 for 30 days)	\$ 450.00
Music rights	750.00
Sundry Production Expenses	
Editorial Services	\$ 140.00
Editorial Services (music pick-up)	125.00
Transfer and Storage of Properties (from basement of Studio(7) to make room for orchestra and chorus)	689.00
Rental of Music for Orchestra	162.00
Equipment Rental (Fans to be used to create sound effect and rental of canopy between Studio 1 and Studio 7 for performers)	<u>280.00</u>
	<u>1,396.00</u>
	\$2,596.00
	<u>=====</u>

"PETER GRIMES"SCHEDULE VIFILM PRODUCTION

Still photography	\$145
Film production	183
Stock shots	<u>200</u>
TOTAL	\$528
	<u>=====</u>

**DESIGN DEPARTMENT**  
**DAILY PROGRAM COST STATEMENT**

SCHEDULE VII

Folio - Peter Grimes

ITEM NUMBER	ITEM DESCRIPTION	UNIT MANAGER	W. Weston	TELECAST DATE	Jan. 13/59			VARIANCE			
					ESTIMATED C.R.B.	ACTUAL C.R.B.	PROGRAM NO.				
1	Set Designers					150	570	990	1560		
2	Make-Up				65 (e)	91	155	528	748		
3	Scenics				204 (e)	624 (m)	859 (1)	567	1038	1656	4381
4	General Supply				256 (n)	640 (d)	807 1/2		3635	4531	
5	Stage Stagehands					545 (a)	807 1/2	1325	1099	2969	
6	Paint Shop				368 (z)		410 1/2	850	895	2113	
7	Wardrobe				2318 (g)		1542 1/2	3008	3935	9261	
8	Costumes					12 (b)	612	161	212	385	
9	Special Effects					622 (b)	239	442	1135	2198	
10	Properties				169 (k)	406 (j)	258 1/2	466	725	1766	
					2890	1049	3148		8015	14810	29912

SPECIAL COMMITTEE

PROGRAM SERVICES

PRODUCTION TOTAL								
ADVERTISING TOTAL								
GENERAL EXPENSES								

\$ 12,456.00

**"PETER GRIMES"**

SCHEDULE VII (Cont.)

Design and Staging

Studio Stagehands:

Purchase:	1 Blue Cyc 150' x 25'	485.00
Rental :	150 Chairs for Orchestra	60.00
		545.00 (a)

Graphics:

Purchase:	Photostats	12.00 (b)
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Make-Up:

Purchase:	Hairdressing	65.00 (c)
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Staging Services & Supply:

Purchase & Rental of Trees, boats, etc.	640.00 (d)
---	------------

Costumes:

Represents the use of fabrics for the manufacture of 7 costumes	204.00 (e)
---	------------

Paint and Carpentry:

Represents the value of lumber, hardware, paint, etc. used in the construction of a "Fishing village" - required two studios to accommodate sets and flats.	368.00 (f)
	2,318.00 (g)
	\$ 2,686.00

BROADCASTING

"PETER GRIMES"SCHEDULE VII (cont.)S P E C I A L   E F F E C T SPURCHASES

1	Pump with Attachments	47.74
	Assorted Fixtures	13.35
12	Water Pans	108.00
1	Lamp Tubing	12.93
2	Schrimp Boats	7.50
1	Cover for Rain	87.78
	Water Connections, Door Hinges etc.	36.03
1	Large Tank	35.00
5	Spool Nylon	12.37
	Bolts	2.40
5	Sprayers	87.50
1300	lbs of Soil	40.00
1	Box Lychin	1.39
	Balsa Wood	1.55
	Rubber Hose & connections	4.15
	Boat parts, - Balsa wood	28.37
500	lbs of Soil	<u>15.00</u>
		\$541.06

RENTAL

2	Fans	40.00
2	Fans	<u>40.00</u>
		\$80.00
	<b>TOTAL</b>	<b><u>\$621.06 (h)</u></b>

"PETER GRIMES"SCHEDULE VII (cont.)PROPERTIESPURCHASE

1	Drumstick and straps	12.00
3	Doz. Mugs	
2	Doz. Glasses	
1	Jug	15.95
16	Pipes	22.00
20	Bibles	28.30
	Sales Hatch Cover Canvas	
4	Pair Spruce Bars	
4	Galvanized Rings	
4	Clamps	
12	Balls String	67.53
4	10" Fids	
4	Seaming Palms	
6	Needles	11.70
1	Gray Spray	1.79
3	Cases Herrings	
1	Box Mackerel	
1	Case Lobsters, Barries Drums, Sea Shells	
	Sea Weed	108.50
12	Knives	6.60
25	Lbs. Net	
100	Hooks	
12	Needles 3/8 Manilla Rope	
1	lb/ Twine	
100	Floats	<u>72.00</u>
		<u>\$346.37</u>

RENTAL

Various pewter, sea-chest, china, quills, ink well, candlesticks, brass canelabra, clock	<u>60.00</u>
	\$ 60.00

TOTAL

\$406.37 (J)

## SPECIAL COMMITTEE

## "PETER GRIMES"

## SCHEDULE VII (Cont.)

Stock Props

Description	Quantity Issued	Amount
Stools	6	6.00
Oc. Small Table	1	3.00
Kharki Mattress	1	2.00
Cupboard	1	7.50
Consul Table	1	5.00
Capt Chairs	4	10.00
Chairs	6	15.00
Benches	5	10.00
Arm Chair	1	5.00
Oc. Tables	2	6.00
Table	1	3.00
Leg Tables	2	10.00
Crates	6	3.00
Trunks	3	1.50
Army Mattress	1	2.00
S. Table	1	3.00
Benches	12	24.00
Desk	1	6.00
Console Table	1	5.00
S. Chairs	2	5.00
Capt Chairs	7	17.50
Old Wood A Chair	1	2.50
S. Chair	2	5.00
Bench	1	2.00
Set Dressings	1	10.00
		\$ 169.00 (k)

Costumes

Purchase	Total
19 yds of tweed	37.62
4 sweaters	30.80
15 skivens, 3 prs. needles	13.90
9 raincoats	80.50
9 sou wester hats	6.21
7 oilskin coats	13.65
4 sou wester hats	13.36
wool	19.00
1 knitting book	.25
5 yds buckrome	4.75
4 hoods	13.80
1 dye	.25
2 sweaters	19.90
2 pr. shoes	4.00
1 pr. stretched	.50
6 <sup>1</sup> <sub>2</sub> yds organza	11.38
10 yds tuking	2.00

"PETER CRIMES"

SCHEDULE VII (Cont.)

CostumesPurchaseTotal

10 yds.	straw	2.25
68	buttons	2.98
5 yds.	tunic	2.70
39	ribbon	7.63
2	straw	.70
5	lace	1.45
10	lace	3.85
1	sweater hand knit to order	30.00
14	shapes	10.90
3	pleated bands	1.80
5 yds	velvet	1.00
3	sweaters	26.85
	rubber soles	4.50
4 prs.	rubber soles $\frac{1}{2}$ soles & heels	8.00
1	dance belt	5.36
1	rain set	5.95
4	skiens of wool	1.40
	wool and needles	1.09
6	hair nets	.60
	elastic	.14
2	suits	<u>130.00</u>
		\$ 521.02

Rentals

1	suit	10.00
1	jacket	5.00
1 pr.	pants	8.00
1	child's suit	15.00
4 pr.	pants	14.00
4	cloaks	12.00
12	packets	54.00
1	black suit	8.00
10	hats	10.00
14	dresses	140.00
5	blouses	12.50
4	capes	20.00
20	shawls	<u>30.00</u>
		\$ 338.50

TOTAL

\$ 859.52 (1)

## SCHEDULE VII (Cont'd)

"PETER GRIMES"STOCK COSTUMES

Description	Quantity Issued	Amount
Period Pettycoat	9	\$ 18.00
Stockings	15 prs.	7.50
Towels	3	1.50
Period Fronts	6	3.00
Topper	2	3.00
Rain Hats	8	12.00
Rubber Boots	11 prs.	22.00
Engineer Boots	4 prs.	8.00
Navy Caps	7	10.50
Men's Felt Boots	5 prs.	10.00
Ladies Shoes	2 prs.	4.00
Flat Heels Girls Shoes	5 prs.	10.00
Dresses	4	16.00
Dresses	1	4.00
Shawls	6	9.00
Cape	1	1.50
Long Crinolines	8	16.00
Rain Cloaks	4	16.00
Rain Cloaks	6	24.00
Peak Jacket	4	12.00
Period Jacket 1 Brown, 1 Green Tweed	7	21.00
Pants	16	32.00
Pullover	10	15.00

STOCK COSTUMES (Cont'd)

Vests	6	\$ 9.00
Vests	2	3.00
Children's Jacket	3	4.50
Children's Pants Long	5	5.00
Period Topper	2	3.00
Rubber Boots	4 prs.	8.00
Rain Cloaks	3	12.00
Windbreaker	1	1.50
Topper Black	1	1.50
Topper Period 1 Black, 1 Brown	2	3.00
Seaman's Caps	8	12.00
Togues	2	3.00
Boots leather	3 prs.	6.00
Belts	10	5.00
Scarves	16	8.00
Duffel Coat Grey	1	4.00
Braces	12	6.00
Hats	2	3.00
Neckerchiefs	10	5.00
Period Ballet Skirts	4	4.00
Clerical Collar	1	.50
Clerical Front	1	.50
Frock Coat dark green	1	4.00
Boys Sweater	2	3.00
Child. Shirts	2	2.00

...3

STOCK COSTUMES (Cont'd)

Girls Shoes Flat Heels	2 prs.	\$ 4.00
Long Cotton Petticoats	8	16.00
Long Hat Pins	12	.60
Knee Socks Grey	6 prs.	3.00
Black & Coloured Socks	5	2.50
Ladies Boots	6	3.00
Black Stockings	7 prs.	3.50
Aprons	4	2.00
Steel Rimmed Spectacles	1	.50
Ballet Slippers	3 prs.	6.00
Dance Panties	5	2.50
Crinolines	2	4.00
Falsies	1 pr.	.50
Underwear	1	.50
Peasant Blouses	2	2.00
Ladies Period Shoes	1 pr.	2.00
Running Shoes	1 pr.	2.00
Rain Coat	8	32.00
Period Dress	3	12.00
Leather Vest	1	1.50
Trousers	13	26.00
Vests	6	3.00
Period Jackets	6	18.00
Duffle Coat	2	8.00
Bonnets	15	22.50

STOCK COSTUMES (Cont'd)

Sweat Shirts	5	\$ 5.00
T-Shirts	4	4.00
Business Shirts	3	3.00
Socks	5 prs.	2.50
Cravats	15	7.50
Sweaters	15	22.50
Work boots	1 pr.	2.00
Tuques	5	7.50
		=====
		\$624.10 (m)
		=====

"PETER GRIMES"

SCHEDULE VII

## STOCK RENTALS

STAGING - SERVICE AND SUPPLY

Stock Flats used 5,129  $\frac{1}{2}$  sq.ft. or \$256.48 (n)

"PETER GRIMES"SCHEDULE VIIISTAGING & DESIGNINGPERSONNEL REQUIRED

Set Designer		1
Make-up		8
Costume Designers, assistants.		9
Studio Stagehand		30
Paint Shop Personnel	up to	11) varies per day ) of
Carpenter Shop Personnel	up to	25) construction
Graphic Artists		2
Special Effects		4
Properties Personnel		5
		95
		==

Also: A substantial number of warehouse personnel required to handle, truck, etc., the sets and flats from Simach St. to Studio 1 and 7 as well as to clear sub-basement for use by the orchestra.

APPENDIX B) TELEVISION BROADCASTING COST LEDGER SHEET									
CANADIAN BROADCASTING CORPORATION BUDGET									
PROGRAM BUDGET - BROADCASTING									
DATE	PROGRAMS	ADVERTISING	ASSISTANTS	ASSISTANTS	ADVERTISING	PROGRAMS	ADVERTISING	ADVERTISING	ADVERTISING
1964-65	4	5	4	5	4	5	4	5	4
1965-66	5	4	5	4	5	4	5	4	5
1966-67	6	5	6	5	6	5	6	5	6
1967-68	7	6	7	6	7	6	7	6	7
1968-69	8	7	8	7	8	7	8	7	8
1969-70	9	8	9	8	9	8	9	8	9
1970-71	10	9	10	9	10	9	10	9	10
1971-72	11	10	11	10	11	10	11	10	11
1972-73	12	11	12	11	12	11	12	11	12
1973-74	13	12	13	12	13	12	13	12	13
1974-75	14	13	14	13	14	13	14	13	14
1975-76	15	14	15	14	15	14	15	14	15
1976-77	16	15	16	15	16	15	16	15	16
1977-78	17	16	17	16	17	16	17	16	17
1978-79	18	17	18	17	18	17	18	17	18
1979-80	19	18	19	18	19	18	19	18	19
1980-81	20	19	20	19	20	19	20	19	20
1981-82	21	20	21	20	21	20	21	20	21
1982-83	22	21	22	21	22	21	22	21	22
1983-84	23	22	23	22	23	22	23	22	23
1984-85	24	23	24	23	24	23	24	23	24
1985-86	25	24	25	24	25	24	25	24	25
1986-87	26	25	26	25	26	25	26	25	26
1987-88	27	26	27	26	27	26	27	26	27
1988-89	28	27	28	27	28	27	28	27	28
1989-90	29	28	29	28	29	28	29	28	29
1990-91	30	29	30	29	30	29	30	29	30
1991-92	31	30	31	30	31	30	31	30	31
1992-93	32	31	32	31	32	31	32	31	32
1993-94	33	32	33	32	33	32	33	32	33
1994-95	34	33	34	33	34	33	34	33	34
1995-96	35	34	35	34	35	34	35	34	35
1996-97	36	35	36	35	36	35	36	35	36
1997-98	37	36	37	36	37	36	37	36	37
1998-99	38	37	38	37	38	37	38	37	38
1999-2000	39	38	39	38	39	38	39	38	39
2000-2001	40	39	40	39	40	39	40	39	40
2001-2002	41	40	41	40	41	40	41	40	41
2002-2003	42	41	42	41	42	41	42	41	42
2003-2004	43	42	43	42	43	42	43	42	43
2004-2005	44	43	44	43	44	43	44	43	44
2005-2006	45	44	45	44	45	44	45	44	45
2006-2007	46	45	46	45	46	45	46	45	46
2007-2008	47	46	47	46	47	46	47	46	47
2008-2009	48	47	48	47	48	47	48	47	48
2009-2010	49	48	49	48	49	48	49	48	49
2010-2011	50	49	50	49	50	49	50	49	50
2011-2012	51	50	51	50	51	50	51	50	51
2012-2013	52	51	52	51	52	51	52	51	52
2013-2014	53	52	53	52	53	52	53	52	53
2014-2015	54	53	54	53	54	53	54	53	54
2015-2016	55	54	55	54	55	54	55	54	55
2016-2017	56	55	56	55	56	55	56	55	56
2017-2018	57	56	57	56	57	56	57	56	57
2018-2019	58	57	58	57	58	57	58	57	58
2019-2020	59	58	59	58	59	58	59	58	59
2020-2021	60	59	60	59	60	59	60	59	60
2021-2022	61	60	61	60	61	60	61	60	61
2022-2023	62	61	62	61	62	61	62	61	62
2023-2024	63	62	63	62	63	62	63	62	63
2024-2025	64	63	64	63	64	63	64	63	64
2025-2026	65	64	65	64	65	64	65	64	65
2026-2027	66	65	66	65	66	65	66	65	66
2027-2028	67	66	67	66	67	66	67	66	67
2028-2029	68	67	68	67	68	67	68	67	68
2029-2030	69	68	69	68	69	68	69	68	69
2030-2031	70	69	70	69	70	69	70	69	70
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2033-2034	73	72	73	72	73	72	73	72	73
2034-2035	74	73	74	73	74	73	74	73	74
2035-2036	75	74	75	74	75	74	75	74	75
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2095-2096	135	134	135	134	135	134	135	134	135
2096-2097	136	135	136	135	136	135	136	135	136
2097-2098	137	136	137	136	137	136</td			

**DESIGN DEPARTMENT  
DAILY PROGRAM COST STATEMENT**

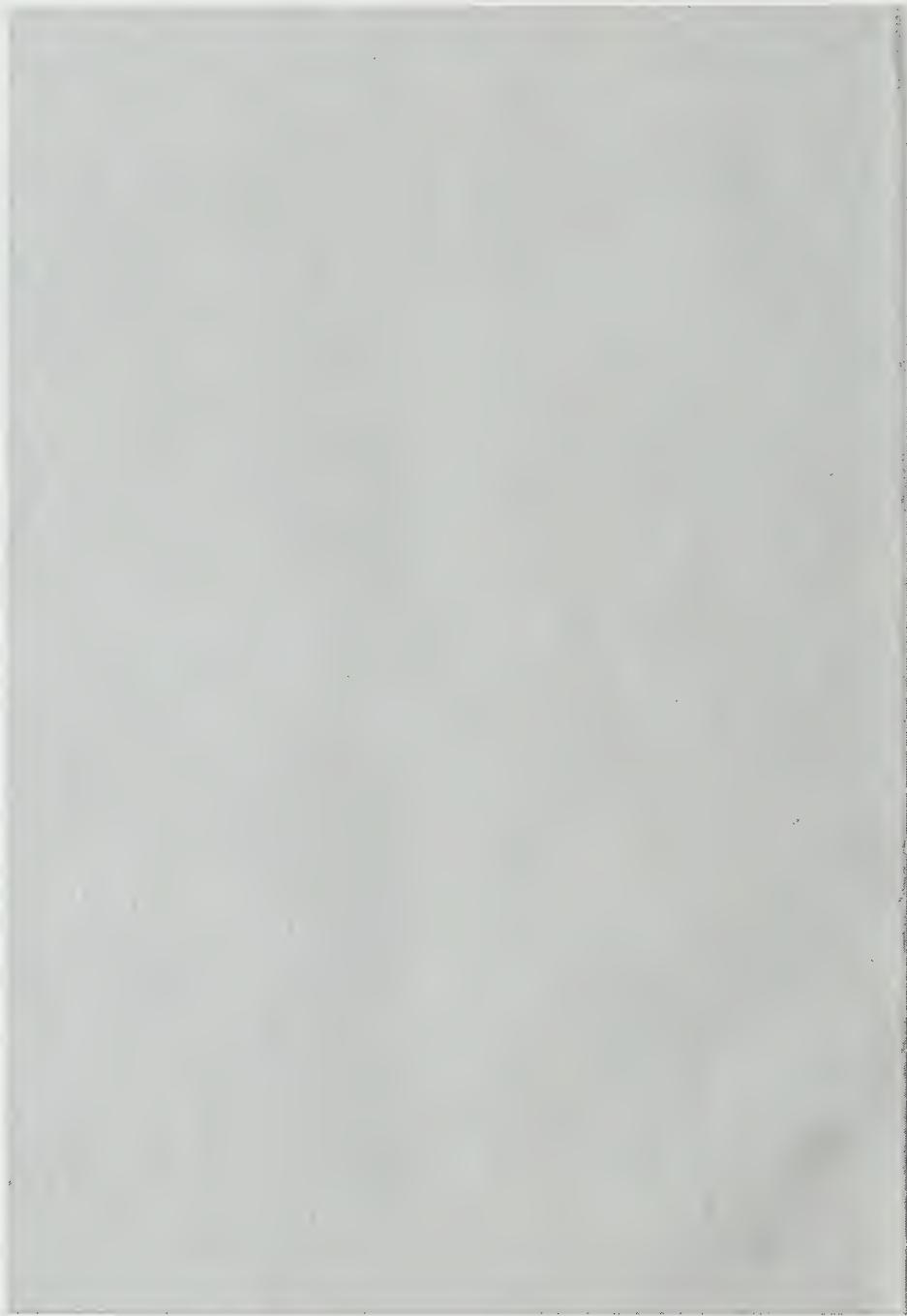
PROGRAM NAME Folio #1 Day One 11:00 AM

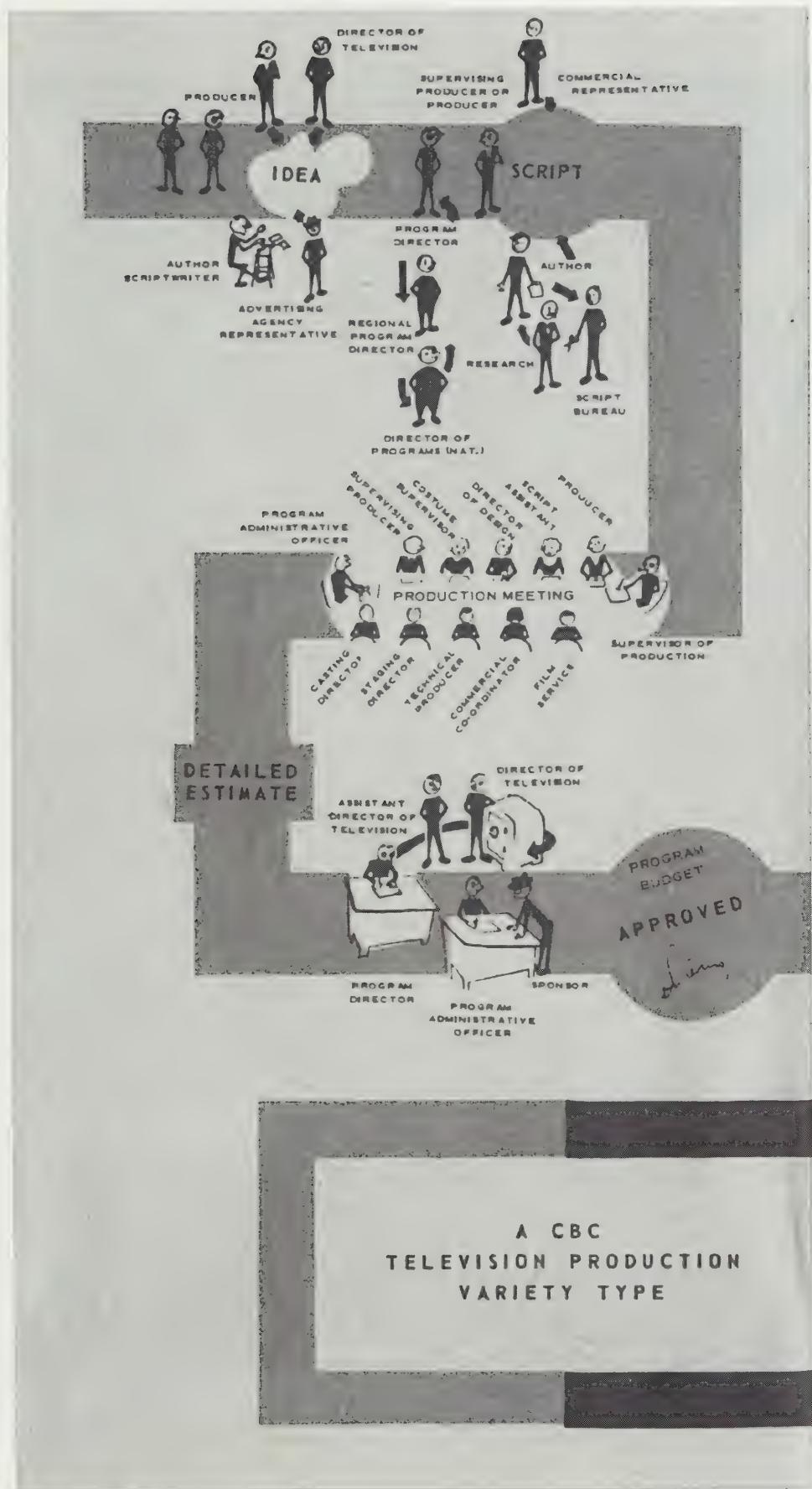
PRODUCTION		SET DESIGNER		UNIT MANAGER		W. Weston		TELECAST DATE		May 5		VARIANCE				
DEPARTMENT		ESTIMATED COSTS						ACTUAL COSTS								
NO.	NAME	Raw Materials	Stock Rentals	Per Hour of Rentals	Hours	Labour	Overtime	Stock	Raw Materials	Stock Rentals	Purchase Rentals	Labour	Overtime	Overhead	Total	
82	Set Designers											40	152.	264.	416.	
83	Make-Up											1	2.	6.	8.	
84	Costumes											23	3. 8	7.	12.	
75	Services & Supply											109.	60.	272.	311.	
85	Studio Stage Hand											25.	60.	99.	82.	216.
86	Paint Shop											112.	88	182.	192.	486.
87	Carpentry Shop											17.	96.	188.	246.	607.
88	Graphics											3.	35.	93.	121.	217.
79	Special Effects															
89	Properties											5.	14.	26.	41.	72.
TOTAL									285.	114.	26.		747.	1231.	2405.	

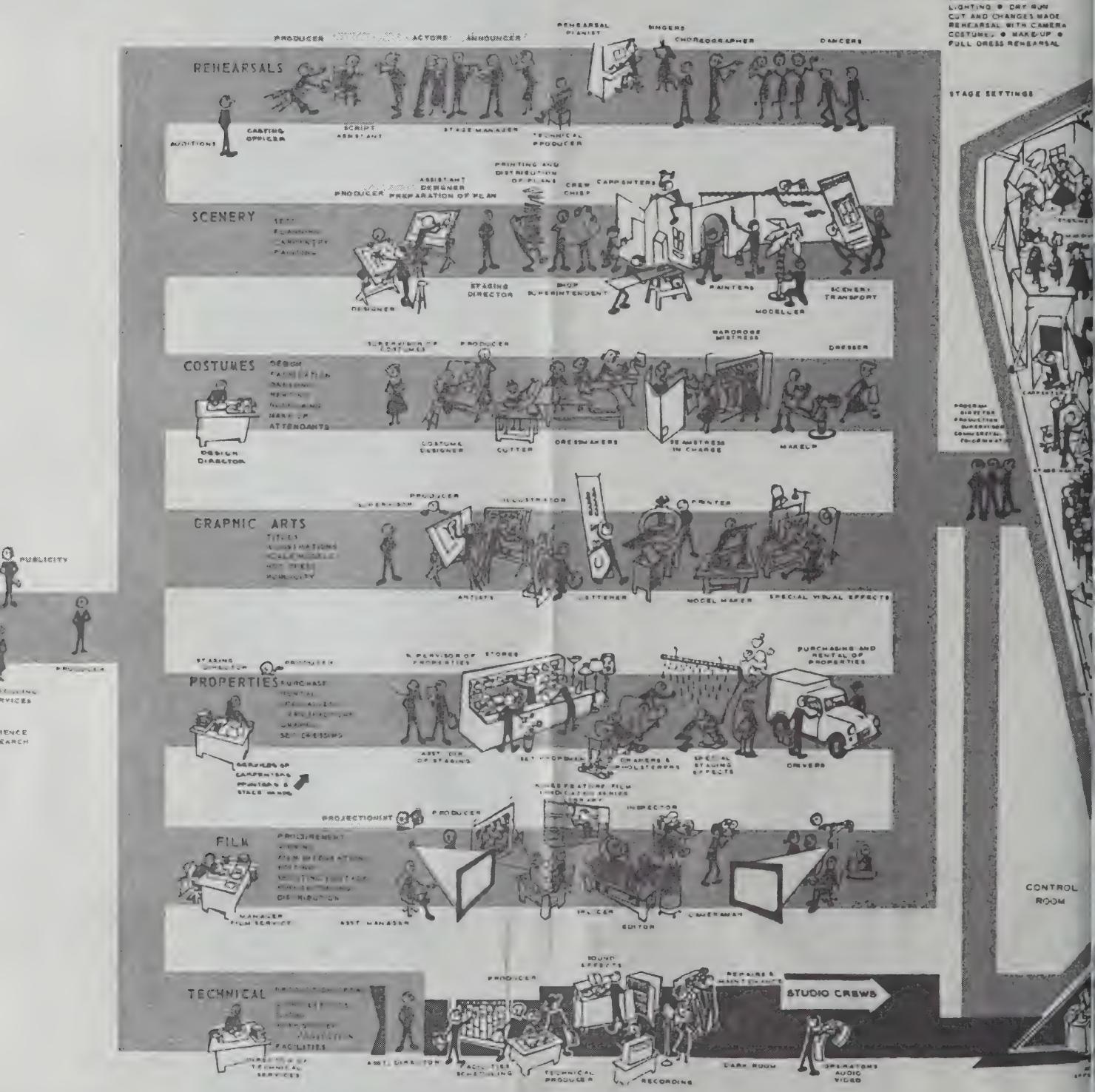
## PROGRAM SERIES

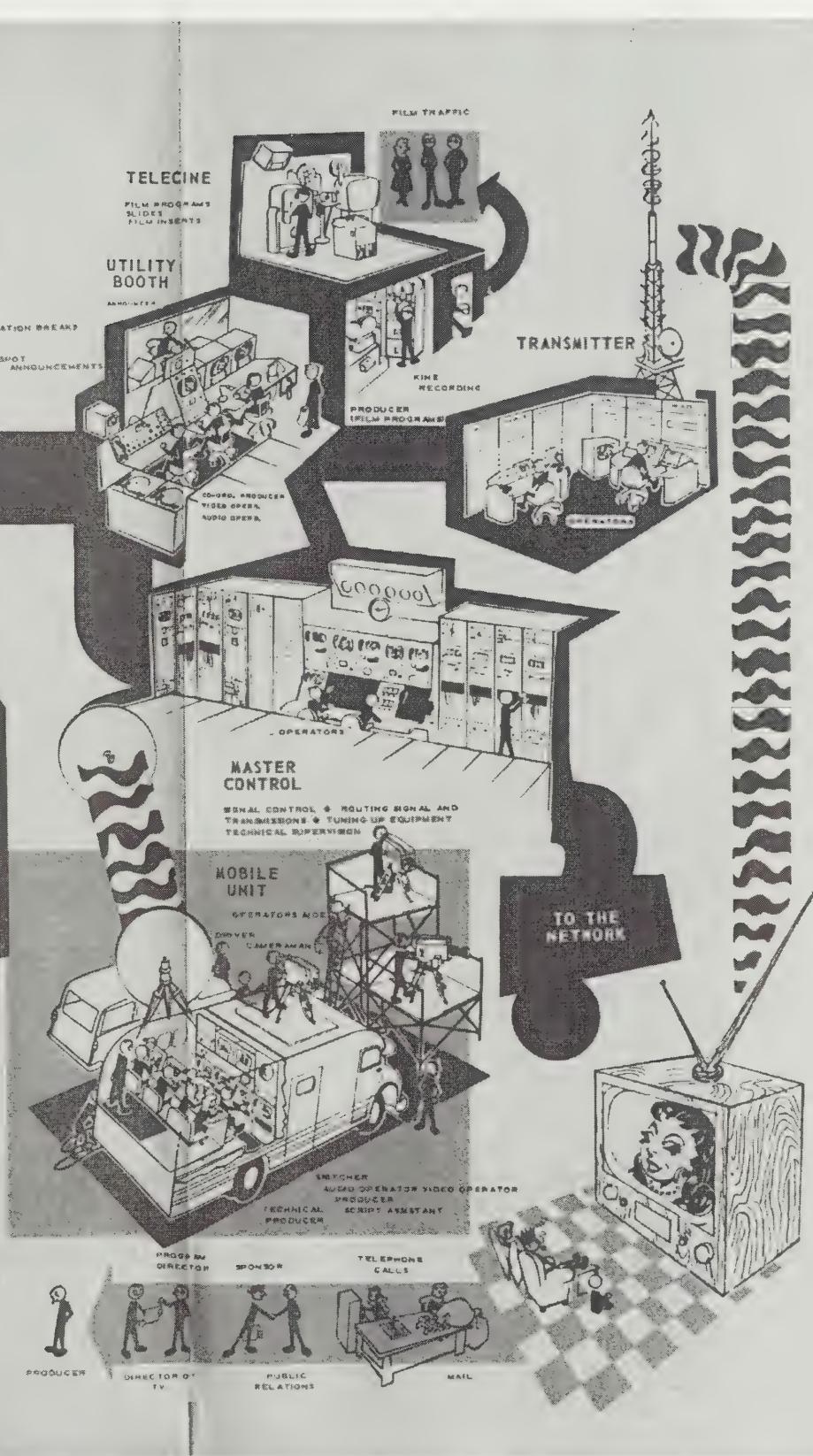
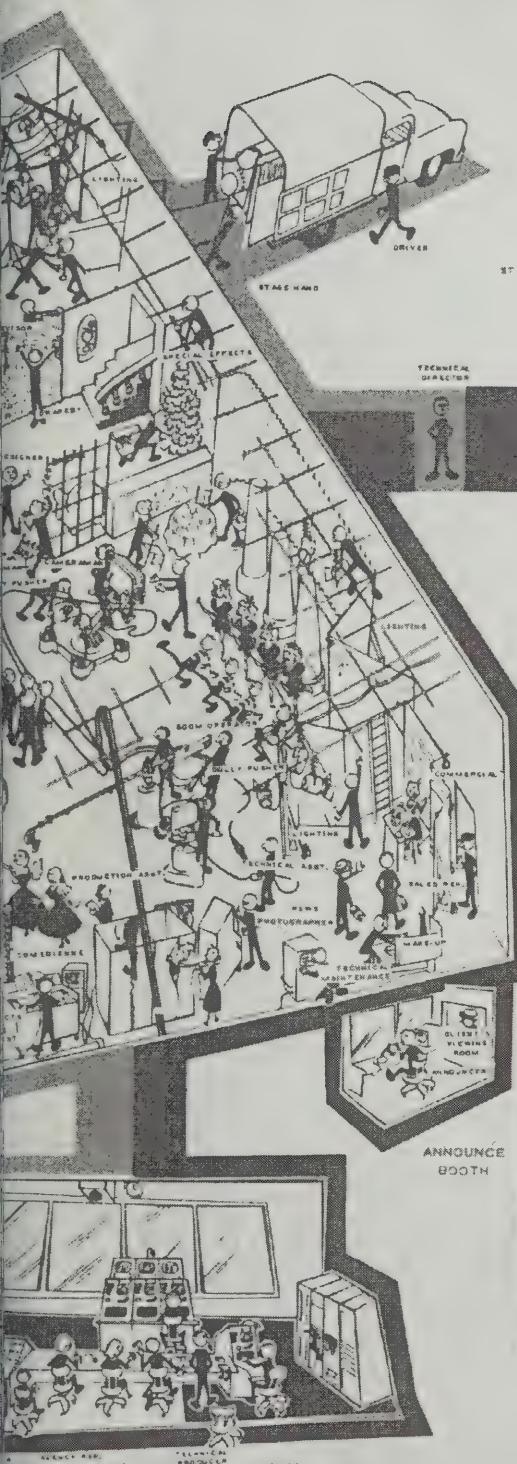
PREVIOUS TOTAL															
ABOVE TOTAL															
TOTAL TO DATE															

O.N.T. 92 (5-58)











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HOUSE OF COMMONS

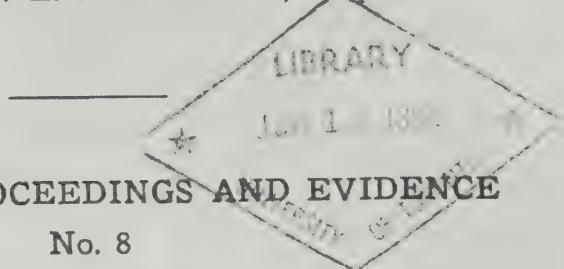
Government  
Publications

Second Session—Twenty-fourth Parliament  
1959

SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*

MINUTES OF PROCEEDINGS AND EVIDENCE  
No. 8



TUESDAY, JUNE 2, 1959

CANADIAN BROADCASTING CORPORATION

WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation; R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; J. P. Gilmore, Controller of Operations; M. Carter, Controller of Management; M. Ouimet, Deputy Controller of Broadcasting; and J. J. Trainor, Assistant to the Director of Audience Research.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* G. E. Halpenny, Esq.,

*Vice-Chairman:* J. Flynn, Esq.,  
and Messrs.

Miss Aitken,	Fortin,	McQuillan,
R. A. Bell ( <i>Carleton</i> ),	*Johnson,	Nowlan,
Tom Bell ( <i>Saint John-</i> <i>Albert</i> ),	Jung,	Pickersgill,
Brassard ( <i>Pointe</i> ),	Kueherepa,	Pratt,
Mrs. Casselman,	Lambert,	Richard ( <i>Ottawa East</i> ),
Chambers,	Macquarrie,	Robichaud,
Dorion,	Mitchell,	Simpson,
†Eudes,	Morris,	Smith ( <i>Calgary South</i> ),
Fairfield,	Muir ( <i>Lisgar</i> ),	Smith ( <i>Simcoe North</i> ),
Fisher,	McCleave,	Tremblay.
Forgie,	McGrath,	
	McIntosh,	

J. E. O'Connor,  
*Clerk of the Committee.*

\*Replaced Mr. Campeau on Friday, May 29, 1959

†Replaced Mr. Rouleau on Friday, May 29, 1959

CAI  
XC 32  
- 1959  
365

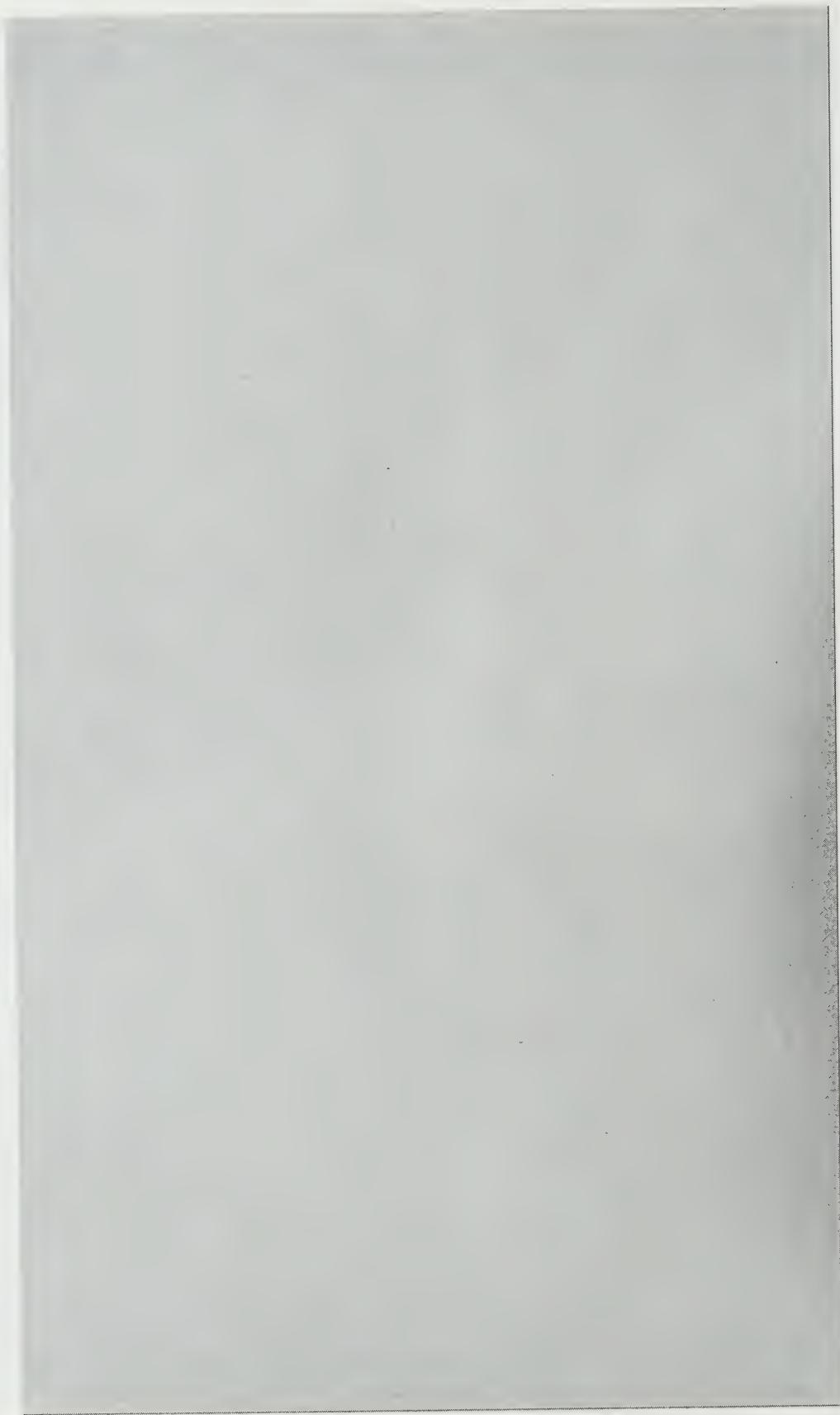
#### ORDERS OF REFERENCE

FRIDAY, May 29, 1959.

*Ordered*.—That the names of Messrs. Johnson and Eudes be substituted for those of Messrs. Campeau and Rouleau respectively on the Special Committee on Broadcasting.

Attest

LÉON J. RAYMOND,  
*Clerk of the House.*



## MINUTES OF PROCEEDINGS

TUESDAY, June 2, 1959.

The Special Committee on Broadcasting met at 11.00 a.m. this day. The Chairman, Mr. Halpenny, presided.

*Members present:* Messrs. Bell (*Carleton*), Brassard (*Lapointe*), Mrs. Casselman, Messrs. Chambers, Dorion, Eudes, Fairfield, Flynn, Forgie, Fortin, Halpenny, Jung, Kucherepa, Lambert, Macquarrie, Mitchell, Muir, McCleave, McGrath, Nowlan, Pickersgill, Pratt, Robichaud, Simpson, Smith (*Calgary South*), and Tremblay.

*In attendance:* Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; J. P. Gilmore, Controller of Operations; Marcel Carter, Controller of Management, Planning and Development; A. M. Henderson, Comptroller; R. C. Fraser, Director, Public Relations; Marcel Ouimet, Deputy Controller of Broadcasting; R. E. Keddy, Director of Organization; Barry MacDonald, Secretary, Board of Directors; H. A. Halbert, Assistant Secretary, Board of Directors.

The Chairman observed the presence of quorum and reported to the Committee that the Subcommittee on Agenda and Procedure at its meeting held on Monday, June 1st, had reached the following decisions:

1. That the Committee visit facilities of the Canadian Broadcasting Corporation located in Toronto on Tuesday, June 23rd, preferably travelling by air;
2. That Mr. Tremblay's request for specific information relating to the television production "La plus belle de céans" be not entertained by the Committee on the grounds that this would be contrary to a principle accepted by the Committee at its first meeting, namely that information relating to responsibility for individual programs be not sought.

As agreed at the last meeting of the Committee, the motion by Mr. Smith (*Calgary South*), seconded by Mr. Pratt relating to the production of detailed costs of television programs was considered and Messrs. Dunsmore and Bushnell once again outlined the Corporation's position concerning the revelation of such costs and the impact of the adoption of the motion on the Corporation's relations with sponsors.

During the course of their presentation, a telegram from "Sponsor" Magazine and letters from the Canadian Association of Advertising Agencies, Association of Canadian Advertisers Incorporated and Maclarens Advertising Co. Limited were read into the record.

Mr. Nowlan, as the Minister through whom the Canadian Broadcasting Corporation reports to Parliament, was called upon to give his views on the motion.

Following further discussion concerning the advisability of proceeding with the motion, it was resolved,—

That all costs of production of both commercial and sustaining television programs in both the French and English networks be presented, at the earliest possible date to the Committee, for the last complete month itemizing these costs and relating them to recoveries made from sponsors, and other sources,

on the following division: YEAS, 11; NAYS, 9.

At 12.45 p.m., the Committee adjourned to meet again at 8 p.m. this day.

#### EVENING SITTING

The Special Committee on Broadcasting met at 8.00 p.m. this day, the Chairman, Mr. Halpenny, presiding.

*Members present:* Miss Aitken; Messrs. Bell (Carleton), Bell (Saint John-Albert), Brassard (Lapointe); Mrs. Casselman; Messrs. Chambers, Dorion, Eudes, Fairfield, Flynn, Fortin, Halpenny, Kucherepa, Lambert, Mitchell, Muir, McCleave, McGrath, McQuillan, Pratt, Richard (Ottawa East), Simpson, Smith (Calgary South) and Tremblay.

*In attendance:* Same officers of the Canadian Broadcasting Corporation as shown in attendance this morning, with the addition of Mr. J. J. Trainor, Assistant to the Director of Audience Research; and the absence of Mr. R. L. Dunsmore.

The Chairman observed the presence of quorum and called on Mr. Bushnell and Mr. Gilmore, who presented a "Draft" of a form to be used in presenting television program costs and recoveries to the Committee.

Following discussion it was agreed that where "one person shows" are presented the amount shown under the heading "Talent" should be combined with that shown under the heading "Program Production". It was also agreed that with the exception of "one person shows", the total cost shown under the heading "Talent" should be followed by the number of performers involved in the production.

*Agreed.*—That officers of the Corporation be asked to proceed immediately with the compilation of cost figures for one week's television productions on the English and French networks, and that the question of whether the Committee should review statistics for an additional three weeks should be referred to the Subcommittee on Agenda and Procedure.

The following documents were filed with the Committee and copies distributed to members:

1. List of commentators on opinion and commentary programs—French and English networks—1958, including

Weekend Review	Commentaires
Midweek Review	Point de Mire
Press Conference	Rencontre
This Week	La Vie Economique
Viewpoint	La Vie Ouvrière
Preview Commentary	Les Idées en Marche
Capital Report	
Citizen's Forum	
Byline	

2. Political and controversial broadcasting policies and rulings—as revised to May 27, 1953.

3. Copy of Television Broadcast Agreement Form.

*Agreed.*—That these documents be reviewed by the Sub-committee on Agenda and Procedure to determine the need for their inclusion in the Committee's printed proceedings.

Messrs. Bushnell, Ouimet and Trainor were questioned concerning the Corporation's activities in the field of Audience Research.

The following documents were filed with the Committee:

1. Audience Research Bulletin.
2. Organization and Function of Audience Research.
3. Television Program Cost Report re "La Plus Belle de Céans".
4. Production Costs and Associated Income for certain French network programs.

*Agreed.*—To print as appendices to today's proceedings those documents referred to above as Numbers 2, 3 and 4.

*Agreed.*—To stand further discussion on the subject of Audience Research until the Corporation presents an organization chart of the Audience Research Division.

Mr. Carter was called and continued with the presentation commenced on Thursday, May 28, 1959, relating to the method of establishing staff requirements for television programs.

At 9.50 p.m. the Committee adjourned to meet again at 9.30 a.m., Thursday, June 4, 1959.

J. E. O'Connor,  
Clerk of the Committee.



NOTE: *Text of the Proceedings recorded in the French language appears immediately following this day's Evidence.*

REMARQUE: *Le texte des témoignages recueillis en français figure immédiatement à la suite du compte rendu des délibérations de la séance d'aujourd'hui.*

## EVIDENCE

TUESDAY, June 2, 1959.  
11 a.m.

The CHAIRMAN: Gentlemen and ladies, we have a quorum.

You will recall that the steering committee was to meet yesterday afternoon. We did meet and came to two decisions, or one decision and one recommendation. The first suggestion is that this committee take a trip to Toronto.

Mr. McCLEAVE: To run the C.B.C.?

The CHAIRMAN: Not exactly to run the C.B.C.

But to view the operations there; and it is Mr. Bushnell's suggestion that we go on Tuesday, June 23. Now, the reason Mr. Bushnell made this suggestion is that the new Board of Directors will be meeting in Toronto that day, and as they are going to take a personally conducted tour through the different C.B.C. buildings in Toronto, he felt that it might be a good time for us to go and that it would be advisable if we joined them. It was suggested also that we could possibly have a meeting with the new Board of Directors and see the operation at the same time as they do.

Mr. SMITH (*Calgary South*): What day of the week is that?

The CHAIRMAN: Tuesday, June 23.

Mr. FLYNN: Is the session going to be over at that time?

The CHAIRMAN: Not for at least a week after that.

Mr. MCGRATH: Do you think it is advisable for the committee to view the operations at the same time as the board of directors?

The CHAIRMAN: I do, personally. Have you any comments on it?

Mr. MCGRATH: My thought in connection with that is that it might be advisable to go and visit the C.B.C. on an ordinary routine day.

The CHAIRMAN: Well, Mr. McGrath, we considered that; but what is an ordinary routine day?

Mr. CHAMBERS: May we arrive without warning?

The CHAIRMAN: There are certain days in which there is not too much going on, and we could arrive on one of those days when they would not have too many productions. The steering committee felt that the suggestion I made earlier would be advisable and they make this recommendation to the committee.

Mr. SMITH (*Calgary South*): Mr. Chairman, I think we should see them at their best.

The CHAIRMAN: Thank you, Mr. Smith. Is it agreeable then, gentlemen? If we go, the thought is to fly up and fly back, so we will not lose more than the one day.

Mr. FORTIN: Is it on the twenty-third?

The CHAIRMAN: June 23, which is on a Tuesday.

Mr. FORTIN: That is the day the Queen will be in Quebec, and we would all like to see her as well.

The CHAIRMAN: I do not think we can get one date that is going to be suitable for every member.

Mr. FORTIN: But the Queen's visit is a special occasion.

The CHAIRMAN: But Her Majesty is going to be in some other parts of Canada from that time on, and it will be just as important for the member from that particular constituency to be with her as the Quebec members in Quebec.

Mr. MUIR (*Lisgar*): Does she not open the seaway on June 26?

Mr. PRATT: Make it the day the Queen is in Toronto; maybe she would like to see the C.B.C.

Hon. GEORGE C. NOWLAN (*Minister of National Revenue*): She is going to see the horses.

The CHAIRMAN: Is it agreed then, gentlemen?

Agreed.

The CHAIRMAN: Now, the second point the steering committee considered was Mr. Tremblay's request, which you will find on page 195. The steering committee decided as follows:

While the committee is aware that much concern has been expressed by the viewing public about the program "La Plus Belle de Ceans", the committee at the inception of these hearings took the position that it would not go into the detailed responsibility for any individual program and it does not now see any compelling reasons for deviating from that decision in the case of the program "La Plus Belle de Ceans".

Have you any comments, gentlemen, or is it agreed?

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I wish to be very brief. I do not want to make a long statement as I was reproached the other day for doing so. I just want to know what are the reasons behind the decision of the advisory board.

The CHAIRMAN: The reason, Mr. Tremblay, is that at the beginning of these hearings it was agreed by this committee that we would not go into personalities or personal likes or dislikes, because we would be here ad infinitum if we considered each individual program all the way down, or if we as individuals gave our own likes and dislikes in connection with programs. That was the reason this committee as a whole decided that we would not do it. Have you any further comments?

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I do accept the general remark that we should not enter into details and go into the personalities and so on, but I do think that in the circumstances this is a sufficiently serious matter and that we should obtain a detailed report such as I spoke of the other day. We do not need to find out the names of those responsible, but as the C.B.C. administration seems to us to be a very complicated business, I personally, for my part at any rate, cannot be satisfied with Mr. Bushnell's remark of the other day when he suggested he or the vice-chairman are responsible and they take all the responsibility on their own shoulders. This is rather an easy excuse which does not take true account of the actual facts.

Mr. BUSHNELL: May I say, Mr. Chairman, that there will be a report on this program. I think what we are reluctant to do is to give out the actual

names, the individual names of those involved, but there is a report which we will be very happy to table.

The CHAIRMAN: And further more, Mr. Tremblay, I would suggest that if you wish more definite information than this report will give you, there is no reason in the world why you or any other member of this committee cannot go over to C.B.C. and get the information you need, as long as it is not published and as long as it is a personal thing between you and the C.B.C.

Mr. FORTIN (*Interpretation*): Mr. Chairman, first of all I would like to say here and now that I thoroughly endorse the opinions which have been just expressed in connection with this matter by Mr. Tremblay. Now, I believe that in following your suggestions you are taking us up the long path, so to speak. It is not the member from Roberval or the member from Montmagny-L'Islet who wants the information, it is the public. We are here as representatives of the public, and that is why if the C.B.C. is willing to give information to one individual, then it must give information to those who are paying; in other words, the whole public in general.

The CHAIRMAN: Mr. Bushnell has said there is going to be a statement read to this committee in connection with that program. May we leave any other comment until the statement is read, and at that time you will know whether you have the information you require.

Mr. FORTIN (*Interpretation*): When will the report be submitted? It was requested a month ago.

Mr. BUSHNELL: I think probably it can be submitted very shortly.

There was a question, Mr. Chairman, if I might remind you of it, that the members of this committee were, as a matter of fact, to meet to discuss French network matters exclusively. We did have a short meeting last Thursday and I do not know whether or not it is your intention to go on with this. This report on "La Plus Belle de Ceans" would be in the French language and it can be tabled almost any time that Mr. Fortin desires it.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I am willing to wait for that report to be presented before putting questions in that connection, but first I wish to make a proposal, inasmuch as I wish to ask the chairman and Mr. Bushnell, if it is possible, for Mr. Alphonse Quimet to be called before this committee.

Mr. BUSHNELL: Mr. Chairman, I regret that is impossible. At the present time Mr. Ouimet is waiting for a room in a hospital in Montreal where he will undergo gall bladder surgery. I would be very reluctant indeed to ask him to attend even one session. As a matter of fact, he asked me to express his grave concern and to extend to this committee his humble apologies that his health would not permit him to appear at this time.

Mr. FORTIN (*Interpretation*): Mr. Chairman, following the request of Mr. Tremblay at the last sitting I added a question in which I asked the C.B.C. to give us the details in connection with the production costs of the program "La Plus Belle des Ceans". I would like to know if we can obtain this information this morning.

Mr. BUSHNELL: That information is available.

The CHAIRMAN: It will be tabled later.

Mr. BRASSARD (*Lapointe*) (*Interpretation*): Mr. Chairman, I wish first of all to say that I am very sorry that Mr. Alphonse Ouimet cannot come to reply to our questions, be it today, tomorrow or in the near future, because I am sure if he came then, like Mr. Bushnell who himself has handled his job so capably, he would be able, with his long experience in radio and television matters, to give us a great deal of information which would dissipate a number of false impressions which some members of this committee have regarding the C.B.C.'s operation.

Mr. TREMBLAY (*Interpretation*): Can he be precise in connection with what he means?

Mr. BRASSARD (*Lapointe*) (*Interpretation*): I think all the members of the public as well believe that the C.B.C. can make errors and, in fact, they did commit some.

The CHAIRMAN: May we go on to the next order of business.

Mr. FLYNN: I have a question of privilege, Mr. Chairman. At the bottom of page 197 in the record I am reported to have said:

In fact they do.

It was a question and should have read:

In fact, do they?

Mr. DORION (*Interpretation*): Mr. Chairman, I do not know if I am quite in order, but before I begin with the questioning of Mr. Bushnell, I want to clarify a few points on which I would appreciate some information. First, I am informed that scripts were prepared a number of times for which the C.B.C. had paid and yet they were never used. I would appreciate some information in connection with this. I would appreciate it if we could be given the names of the authors, the amounts they were paid and why these texts were never used, because I think this would be a totally futile expenditure.

Mr. Chairman, the second point on which I wish information concerns the relationships of France Film with the C.B.C. I would like to know if it has not happened—and I have been trying to get this information for five years—that foreign artists appear on programs televised in Montreal and are paid by the C.B.C.—artists who were invited by France Film before and that France Film would have utilized after for its own services under conditions much more advantageous; and on this point I would suggest that Mr. Jean Paul Lepailleur be called before the committee and asked to testify.

Mr. FLYNN: There is one point in issue. Mr. Dorion did not say he had been trying to get this information for five years; he said he wanted the information for five years.

The CHAIRMAN: Before you proceed, we have an order of business, and that is in connection with the motion which is before the committee. I would suggest that after Mr. Bushnell answers Mr. Dorion's question that we get on with the order of business, which is Mr. Smith's motion.

Mr. MCGRATH: Before you proceed with that, would it be in order to ask questions arising out of the minutes of the last meeting?

The CHAIRMAN: Do you mean regarding the motion?

Mr. MCGRATH: No, regarding the proceedings of the last hearing.

The CHAIRMAN: The next order of business is the motion and then we will have plenty of time for questions on last week's evidence. It is going to be suggested to the committee that we meet again this evening at eight o'clock, so we will have plenty of opportunity to cover everything.

Mr. Bushnell, would you now answer Mr. Dorion's question.

Mr. PICKERSGILL: I do not wish to raise a point of order, Mr. Chairman, but it was understood that Mr. Smith's motion was to be the next order of business and it seems to me it should be. The reply to Mr. Dorion's question, the same as the replies to questions of other members, should be delayed until we dispose of this.

The CHAIRMAN: I agree with you, Mr. Pickersgill. I think I will reverse my decision, if it is agreeable to the committee.

I think we should go on with our next order of business, which is Mr. Smith's motion.

Mr. Dorion, would you mind if your answer is held up until the motion has been considered?

At this time I would ask that Mr. Dunsmore, the chairman of the finance committee of the board of directors of the C.B.C. be heard.

Mr. R. L. DUNSMORE (*Chairman, Finance Committee, Canadian Broadcasting Corporation*): Mr. Chairman, ladies and gentlemen of the committee, in the ordinary industrial or commercial company the shareholders who are the people who supply the money for the business, elect a board of directors whose primary purpose is to look after the interests of the shareholders by means of setting policies that will be in the interest of the corporation, to see that those policies are carried out and also to advise the shareholders, particularly in connection with things which they might feel should be done. It is also their responsibility to advise them of the effect of any particular action they might propose.

Now, drawing a reference parallel, you gentlemen are representing the shareholders of the C.B.C. and the board of directors of the C.B.C. are pretty much the same as the board of directors of an industrial firm.

This board of directors was sworn in six months ago today. At that time there was appointed a finance committee, consisting of three of the members who are businessmen and two of the permanent staff—permanent officers of the C.B.C. Of course, that finance committee was primarily charged with the looking after of the financial interest of you as shareholders in this corporation, so I am one of your representatives.

It has been our effort on the part of the board to ask very similar questions to those you have been asking here. It has been the effort on the part of the finance committee to ask those questions, particularly in the financing field, that will help us to look after your interests; and in doing so we have found we have received from the officers of the C.B.C. sound answers, conscientious answers and truthful answers. So it was with considerable concern that I found this difference of viewpoint cropping up at last Tuesday's meeting.

As a result I went back to the C.B.C. officers and was determined to find out the complete story on this question of costs, particularly as they are used in the United States and as used here in Canada.

With your permission I would like to try to put down here what I put down for myself, in order to make it clear in my lay mind as to what happened about costs.

The CHAIRMAN: By all means.

Mr. DUNSMORE: Between the flash of the idea for a show and the time it gets on the television screen, there are three main areas of activity and therefore of cost. First, you have the production. That is actually the performing of a play on a stage or in the studio. Then you have the televising of that in order to get that production on the air or wire in order that it can get across the country over the network. Then you have the broadcasting which brings it into the television screen.

I found in the United States this production function might be done by the network, it might be done by an advertising agency, or it might be done by what you call a packager, or simply one who processes, televises, and sells the whole thing as a package. In other words, it might be a commercial televising company. I found that in the televising it might be done by the network or by either one of these people. The broadcasting, of course, is done by the network.

In Canada, all three of these are done by the network, the C.B.C. I think we must be clear on that before we proceed any further.

Mr. McCLEAVE: Did you not say that the commercial company could also take part in the televising in the United States or just the advertising agency.

Mr. DUNSMORE: Yes. I hope you will excuse my writing. What I tried to put down in a form I could understand is the data I obtained from these three magazines which were produced here the other day, *Sponsor*, *Broadcasting* and *Television*.

There are three areas of cost and of activity. Now, I said that might be done by the network, it might be done by the agency, or it might be done by a packager. I use that word because it is a simple one. From this magazine, *Television*, I took the information which was given in it on a top-grade television show in the United States produced at a prime hour of the evening. I took the same information from *Broadcasting* and the same information from *Sponsor*. Those are the three magazines. *Television* is a yearly magazine and the others are weekly magazines. They were all published at approximately the same time, some time in April.

From these magazines I found out that this particular program I was looking at was produced by the network and by the packager, together. The second function was produced by the agency and the packager and the third one by the network and the agency. That information was contained in *Television*. I found that the cost given in this magazine was \$140,000.

Mr. PRATT: May we have the name of the show?

Mr. DUNSMORE: I will give it to you in just a moment. I have been picking up a little about the way to put things over effectively from my colleagues in the C.B.C.

Mr. PRATT: I suspected that.

Mr. DUNSMORE: This figure here by *Broadcasting* is \$115,000. This one by *Sponsor* is \$150,000. In each case they covered those two areas. The program was the Chevy show. I think the thing to note from this is that in the first place this is an estimate. It does not claim to be anything else.

I have here letters and wires from the various people in the United States who are involved in this, telling us exactly how they got it. The effect of it is these really are educated guesses picked up by rumours, by their own experience or by information they can obtain by speaking to somebody who works for the agency.

Mr. SMITH (*Calgary South*): Will these be filed with us so we may examine them?

Mr. DUNSMORE: Yes. The thing which I think you should note is that in no case is there any estimate made of what the network received, nor is there any indication of what the network cost was. So there are two figures there which are not given. They do not claim to give them. The network cost in neither case is given. Also I understand that very often in coming to a deal to have this show, from the time of the idea until the time it gets on the television set, they very often tie this network charge into the package. Therefore this is a very, very ephemeral sort of figure. You will notice it varies. I do not want you to be misled by this. This is a yearly magazine, and this is a weekly magazine. This may be an average program cost for the whole series, whereas these may be the individual shows. You will notice there is quite a difference.

I then asked our people in the corporation to give me the cost of a Canadian show. They took the sheet which was filed here the other day. They took a Canadian show which is comparable in type, not necessarily in quality, but comparable in type, to this Chevy show. This one shows a cost for these activities of \$22,100. The difference between this figure and these figures is that this is a firm cost accounted figure which has been tabled. It gives you the exact cost of this type of show. It is a firm cost, cost accounted. The return from that is given on the same table as \$5,600. The difference between these is considerable. It worries us in the board of directors and I know it is in your thoughts here.

In an attempt to reconcile and rationalize that in my mind I formed an illustration which I trust I may be permitted to give. May I use you, sir, in the illustration?

The CHAIRMAN: As long as it is a good caricature.

Mr. DUNSMORE: For the purpose of illustration let us assume you are a respectable citizen.

Mr. SMITH (*Calgary South*): This is purely hypothetical.

Mr. DUNSMORE: Being a respectable citizen, you have a home in London in keeping with your station in the community. You like billiards, so you add a billiard room to your house. Of course, that is another investment you have in your house. You have two teen-age youngsters who like to play tennis, so you add a tennis court to your establishment which, of course, is added cost. Then you are elected to parliament and come to Ottawa. You come to Ottawa and want to rent your house while you are away. So if I might use Mr. Pickersgill in this illustration, with his permission.

Mr. PICKERSGILL: On the understanding it is strictly respectable.

Mr. DUNSMORE: I was going to say that also for this purpose you are a respectable citizen. For some reason you want to rent a house in London. You go to Mr. Halpenny and say, "I would like to rent your house, if you are renting it". He says, "Yes, the rent is \$600 which is based on what is in the house." You say, "That is ridiculous because I can rent a house which serves my purpose which has everything I need right across the road for \$400." Mr. Halpenny says, "I have a tennis court and a billiard room." Mr. Pickersgill replies, "I am not interested in billiards and I do not have any children." This is for the purpose of illustration. He says, "I do not have any children and I am not interested in the tennis court. Four hundred dollars is the deal I am offered across the street." So you rent the house to him for \$400. I feel quite sure neither you nor Mr. Pickersgill feels that you are subsidizing his living cost to the extent of \$200 a month. That is the point I wanted to make.

You see, these advertisers have to work to a budget. They are not willing to pay for something they do not need. They do not especially need Canadian content; they do not need Canadian artists. They are only willing to pay what they feel their advertising budget will stand. They have a yardstick for this which they call the cost per commercial minute per one thousand sets. That is set for a prime hour in the evening for a first-class program.

Taking it from this magazine *Sponsor*, I believe the average cost for this American show was \$3.51 per one thousand T.V. sets per minute of commercial.

I had the people at the C.B.C. work out what that same figure would be for this Canadian show.

The CHAIRMAN: At your cost?

Mr. DUNSMORE: That is right. It was \$4.60. Therefore, you see the Canadian advertiser on that type of yardstick is paying considerably more. The Canadian man sponsoring this program is paying considerably more than they pay in the United States. I believe he is honestly doing that because he thinks it is good public relations. I think that is all I have to say on that point. It is what I found in looking it over.

I just have one more remark to make and then I will be finished. I was going to say that one time I took three Spanish lessons. I found that I could do all right when I was speaking to people who had taken three lessons, but if I got in with people who had four lessons I was stumped. I know these people here have had more lessons in broadcasting than I have and I may be stumped. However, I am prepared to answer any questions which I can answer.

Mr. PRATT: Using the same illustration of Mr. Halpenny and Mr. Pickersgill, in this case Mr. Pickersgill is familiar with his own financing and

so also is Mr. Halpenny. But what happens in the event that Mrs. Halpenny is paying the cost and the taxes? I think Mrs. Halpenny has a right to know what Mr. Halpenny is getting. I think that is the parallel.

The CHAIRMAN: You do not need to answer that.

Mr. DUNSMORE: If I might pass on, sir.

The CHAIRMAN: By all means, proceed.

Mr. DUNSMORE: One other thing which I might add is that in support of the contention that this is information which is not given out, I have a wire from the magazine *Sponsor*, a wire from C.B.S., and one from A.B.C. I have extracts from *Television* magazine and a letter from N.B.C.; also letters from the Association of Canadian Advertisers and one from the Canadian Association of Advertising Agencies and also from McLaren Advertising Company. I do not propose to read all those in. They are, however, available.

The CHAIRMAN: Could they be tabled?

Mr. DUNSMORE: Yes. I might read the one from the magazine *Sponsor*:

Answering your question on TV program prices quoted in *Sponsor*. We obtain these from various trade sources. But in almost all cases our information comes from the buyers rather than sellers of programs. Few program packagers are willing to release such data. Some of our prices are based on educated trade guesses, rather than definite information.

Mr. SMITH (*Calgary South*): May we please have the date of that?

The CHAIRMAN: The date of the wire?

Mr. SMITH (*Calgary South*): Yes, and the reply.

Mr. PICKERSGILL: I think it would be interesting to have the Canadian ones read.

Mr. DUNSMORE: The date is May 29.

The CHAIRMAN: Would you also read the ones from the Canadian sources. You said you had two.

Mr. DUNSMORE: Actually, I have three here.

Mr. Gilmore tells me the actual date of that wire was the 28th. I read the date on the top of the telegram.

This is the Canadian Association of Canadian Advertisers. Do you wish me to read it in full?

The CHAIRMAN: Yes. You may do that while these are being distributed. These are copies of the three Canadian letters; the Association of Canadian Advertisers, the Canadian Association of Advertising Agencies and the McLaren Advertising Company Limited.

Mr. DUNSMORE:

During recent days I have been receiving an increasing number of calls from members of our association who have been following reports of the special committee on broadcasting.

They have been expressing their concern at the possibility that television cost information, which they have always regarded as a matter confidential among themselves, their respective advertising agencies and C.B.C., would become public knowledge.

You will appreciate it is one thing to publish estimates of costs, which I believe is the custom in the United States, and quite another matter to disclose exact factual details. This is the type of information that business firms do not wish competitors to have access to, no more than they would wish to disclose other costs such as manufacturing, selling, administration, et cetera; all of which have a very direct bearing on successfully carrying out business in a competitive economy.

This is of very grave concern to our members, a number of whom account for a major proportion of the advertising revenues received by C.B.C. Accordingly, I am hopeful the foregoing will receive understanding consideration as this matter is being examined.

Mr. SMITH (*Calgary South*): Of course, this letter was not solicited?

Mr. DUNSMORE: No. I suppose some of his member people wrote to him.

The CHAIRMAN: This is signed by whom?

Mr. DUNSMORE: Mr. B. E. Legate, general manager of the association.

The CHAIRMAN: Mr. Legate is here if you would like to have him comment on this later.

Mr. PICKERSGILL: I think we should have the other letters read.

Mr. DUNSMORE: This letter I am about to read is from Alan L. Bell, general manager of the Canadian Association of Advertising Agencies. It is dated May 27. He says:

The Canadian Association of Advertising Agencies has been following with interest the proceedings of the special committee on broadcasting. One of the matters referred to in the press reports has been the question of the disclosure or otherwise of the expenditures by individual advertisers in the production of television programs. The advertising agencies regard information relating to the cost of producing programs for their clients as confidential and are careful to treat this information accordingly for competitive reasons.

It occurred to us that this comment on the prevailing policy or custom in this matter might be of interest.

The next is from Mr. Horler of the MacLaren Advertising Company Limited. It is written to Mr. Bushnell. It says:

It is obvious from newspaper reports that you are being pressed by the commons committee on broadcasting to disclose itemized costs of various sponsored programs carried by the C.B.C. television network. As representatives for some of your major T.V. clients, we are most concerned that information which we consider to be highly confidential could become common knowledge.

As you know, advertising expenditures of all companies are jealously guarded. In fact, when we require the dollar breakdown of a competitor's advertising activity, we must utilize the services of an independent research organization, but at best the results are only poor estimates.

We have always conducted business with the C.B.C. on the basis that television production costs are the private concern of the corporation and the sponsor. If this situation should change it could seriously affect the attitude of advertisers who are currently investing millions of dollars in Canadian produced programs.

The CHAIRMAN: Mr. Smith asked if these were unsolicited.

Mr. Bushnell, were these solicited?

Mr. BUSHNELL: Mr. Chairman, they were not solicited. I do not want to leave any wrong impression. I think it was asked in this committee if we had anything in writing from any of these sponsors. I did call Mr. Hugh Horler, who is vice-president of the MacLaren agency, and I asked him if he could recall any time that this had been put on the record. He said he could not recall it. We could not find anything. However, he indicated to me at that time that this was causing a great deal of concern to some of his

major clients. Therefore I would assume, and I can only assume this, that Mr. Horler spoke to members of the A.C.A. and the C.A.A.A. and that is what produced the letters which have been read.

The CHAIRMAN: Before there are questions asked, I believe Mr. Dunsmore has something further to add.

Mr. DUNSMORE: As I mentioned in my earlier remarks, I have always considered and still consider it is the function of the board, or any committee of the board, to advise the shareholders, in this case yourselves as representing the shareholders, of our assessment of the results of any action you may be asking the corporation to take. I am speaking as a member of the corporation—and that would be the function of a business corporation—and therefore I consider it my function as a member of the board to tell you what I think about this proposal.

I might say too that the other members of the board have been advised of this situation and we have had their replies. The effect of all this—and I have been told of this by the secretary of our board—was that what you propose would be detrimental to C.B.C. and to your interests.

Now, before I finish, Mr. Chairman, I would like to point out that none of this discussion says anything about whether this is a good figure or not. Do not misunderstand me; it may have been that that particular program could have been produced for less than that.

Mr. SMITH (*Calgary South*): For the record, would you state what that figure is.

Mr. HALPENNY: This illustration appears as item (J) at page 132.

Mr. DUNSMORE: \$22,100, and you will find that in the list of tabled costs on page 132. I do not want you to interpret from anything that I have said that I am saying it is a proper cost; it may be that program could have been produced for \$20,000. That is a question which we in the finance committee are continually asking ourselves. We are trying to get the information so we can determine that. However, that is a different question entirely from this one about which we are talking here. The question here is the cost of the production of this, and that is what we are interested in.

Mr. CHAMBERS: I find in going over these figures, which are the type of figures he has used—and I have just done the French network—I notice that the loss or subsidy varies from a high of 44 per cent, where one program is subsidized, down to an area where the C.B.C. made a profit of approximately 20 per cent. There is a great deal of variation in the amount for which these programs are being subsidized. I wonder if you have a comment on the equity of that.

Mr. DUNSMORE: What you are saying is there is a great deal of difference in what Mr. Pickersgill or any other gentleman who might want to rent Mr. Halpenny's house is willing to pay for it, and he happened to rent it to Mr. Pickersgill who was willing to pay \$400.

This show was put on the market and the people who took it up were willing to pay \$5,600, in competition with the other people who might be interested in taking that program. Now, different programs, the attitude of advertisers, the number of broadcasting stations over which that program goes, would all have an effect on the figure. The figures vary in relation to what they feel they could pay for that particular program.

Mr. CHAMBERS: Mr. Chairman, I would like to revert for a moment. Nowhere in the United States where you produce these other things does any such type of loss occur. I am not quarrelling with this. I am just saying that in Canada we have to subsidize, but we may in fact be subsidizing one soap company \$5,000 a week and another one only \$2,000 a week.

Mr. DUNSMORE: There is no question of subsidy; it is what you can sell it for. It is no more of a subsidy than renting that house. That is all he was willing to pay.

I think possibly the point that was overlooked, and maybe I did not stress it strongly enough, is that the U.S. network may lose money here. We have no way of determining because we do not know what it cost them or what they receive for that part of their activities. They may make it up here or make it up there, because very often these are all put in one package and they make the deal with the man who is sponsoring this.

Mr. HALPENNY: Do the N.B.C., C.B.S. and A.B.C. lose money on the whole?

Mr. DUNSMORE: To the extent of my three lessons, I have been told they do lose money on this but pick it up here.

Mr. SMITH (Calgary South): They show a net profit of \$70 million.

Mr. MCGRATH: Arising out of the illustration by Mr. Dunsmore, there is one inescapable fact we must always bear in mind in presenting any analysis between the C.B.C. network and the American ones. They are as follows: (a) the C.B.C. is a publicly-owned network; (b) it has exclusive rights for the six largest markets in Canada and (c) it operates at a deficit.

Now, bearing that in mind I would ask Mr. Dunsmore a question in connection with the costs of commercial television shows, and perhaps it could be more specifically directed to Mr. Bushnell. Is the sponsor aware of the cost involved in C.B.C.'s productions on commercial shows, when the sale is made?

Mr. BUSHNELL: Generally speaking, he would have a pretty good idea.

Mr. MCGRATH: Is that knowledge made known to him by the C.B.C.?

Mr. BUSHNELL: Not specifically, no.

Mr. MCGRATH: He has no way of knowing the production costs of that particular show?

Mr. BUSHNELL: I would not go so far as that, Mr. McGrath. He has a reasonably good idea of the cost of artists and he has an idea of the costs of our facilities. We make standard charges for certain services. He can total them up and come pretty close to the exact cost. He may not know how much is added for overhead and I do not think we would disclose that.

Mr. MCGRATH: It has just been brought to my attention that on page 159 of the evidence Mr. Bushnell spoke with respect to commercial television shows and he said in part:

That advertiser then says to us, "How much is this going to cost?" We tell him what the costs are going to be, and he says, "We cannot afford it."

And then it goes on to say:

We say, "Thank you very much, we will go to your competitor and see if he can afford it."

From this it can be construed that the potential advertiser is told the cost of production.

Mr. BUSHNELL: He is told how much we charge him, the amount we probably would charge him. Obviously, that is the figure there—\$5,600. That is the amount we charge him.

If I may answer Mr. Chambers' point, Mr. Chairman, the wide difference can be attributed in most cases to the fact that some sponsors buy their shows for 52 weeks and some for 26 weeks; there is a series of discounts allowed. Another thing is this. Some sponsors are using both the English and French networks and on the French network we are paying for live talent; we have to take that into account. It is the volume that pretty well sets the rate that we ask the sponsor to pay.

Mr. MCGRATH: Why is it that the agents of the C.B.C. or the advertising agents are not told beforehand: look, this show cost the C.B.C. \$22,000 to produce, we must realize \$22,000 from the sale of this show.

Mr. BUSHNELL: Well, Mr. McGrath, we could tell them that, but I know what their answer will be. They will say: we will not buy it.

Mr. MCGRATH: I would suggest that General Motors cannot afford to do without television advertising in Canada, and there is only the one network. The same thing applies to the three automobile dealers and large soap companies. They cannot afford to be without the facilities of national advertising.

The CHAIRMAN: Gentlemen, this is getting into a difference of opinion.

Mr. MCGRATH: No, it is not, Mr. Chairman. With all due deference, I am trying to make a point here.

The CHAIRMAN: I think you have made it.

Mr. MCGRATH: I have a question which perhaps could be termed as a compromise. If the C.B.C. and the board of directors feel that it is not in the interest of the corporation, say, if you like, not in the public interest, to make public the costs of commercial television shows and how much of the cost is being borne by the taxpayer, perhaps just as a suggestion, would it not be possible for the corporation to make known to the committee the C.B.C.'s cost involved in producing a show? In other words, if you sell a show, name a specific show. For example, if the show costs you \$22,000 to produce and you realize \$5,600 from that, why not give us the name of the show.

Mr. PRATT: This is exactly the question I asked several days ago and did not receive an answer.

Mr. SMITH (*Calgary South*): First of all, I will not accept any departure from the motion that has been moved. I would like to point out again, and I am quoting from the Association of Canadian Advertisers brief, which deals with the relationship of the sponsor to the C.B.C. where we have had it suggested or inferred that these costs are often given to the sponsor and, I think, this comment is important. It says:

A handicap in the present system is the inability of the agencies on behalf of the advertisers to obtain any breakdown of costs of C.B.C. produced television programs.

Perhaps I might read one other quotation, which is Mr. Fowler's provocative point.

The CHAIRMAN: What is the date of the first one?

Mr. SMITH (*Calgary South*): It is dated April, 1956.

I am now reading from page 180 of Mr. Fowler's report:

How does the commercial division know that the particular sponsor who buys a show would not be willing to pay \$6,000 or that some other sponsor in another company or another industry would not be willing to pay \$7,000 for it.

The point I want to make, Mr. Chairman, is this. The only standard that we have to determine relevant costs is actually in radio, in so far as the C.B.C. is concerned.

I have here a list of the rate cards of the two Montreal English-speaking stations and one French-speaking station, which I am prepared to file now, and the C.B.C., which shows that at comparable times, taking any one of them for a one-minute spot, they are undercharging or their rates are considerably lower than any of the other competitive prices. This goes back to what the traffic will bear, which is the expression used by Mr. Bushnell. I suggest when we are talking about the sponsor—and we have made reference to what proportion he is prepared to pay—that this is purely a matter of opinion. It

is indicated by a comparison of the radio network and C.B.C. that we are considerably below the costs which comparable broadcasting systems ask of their clients, and they are not charging what the traffic is prepared to pay for it.

I would like to make one further point.

Mr. McCLEAVE: On a point of order, Mr. Chairman, surely we should be cutting out the opinioned statements of members. Could not the hon. member for Calgary South ask Mr. Bushnell or someone for a comment in connection with that?

Mr. SMITH (Calgary South): I propose to do so. I will be happy if he does it now.

Mr. PICKERSGILL: There are a good many members of the committee who would like to ask the present witness questions in connection with opinions he put to us and I think they should be given priority over those who have come here to make speeches.

The CHAIRMAN: Mr. Smith, what the Chair had in mind was that questions should be asked of Mr. Dunsmore in connection with his presentation.

Mr. SMITH (Calgary South): I will follow your advice. I was following the practice of Mr. Pickersgill, who invariably makes speeches.

The CHAIRMAN: And then I suggest to the committee that after that the minister, who answers to parliament for the C.B.C., would like to make a statement. After that, Mr. Smith, in view of the fact that you have made the motion, I would like you to sum up. Do we have any questions?

Mr. PICKERSGILL: Yes, I have several questions. My first question—and it seems to me that it is a basic question—is this. Can he tell us precisely how it is that the C.B.C. by keeping this information—secret—and Mr. Smith is asking to have it made public—is able to get a higher price for the program. It seems to me that is the essence of the question.

Mr. DUNSMORE: I am afraid that I cannot answer categorically to what Mr. Pickersgill has asked, but I would suggest that if I were an advertising agency and had a certain budget, I would apply this figure here to it and say: how much can I afford to pay per thousand sets per commercial minute. Regardless of what the C.B.C. tells me it costs, I would have to assess what I thought was the value of that program to me in terms of the thousand sets I could get into per commercial minutes—that is, the minutes of commercial story I can get over.

Mr. PICKERSGILL: I have a second question based on that answer. Perhaps I might say that I think we want to find out, so far as we can, what advantage there is to the C.B.C. and not to the advertisers in having this information kept from the public, and I am prepared to concede that there seems to be a good deal, but what I would like to know is this: what advantage does the C.B.C. get in selling this advertising because of the fact that neither the costs of the advertising nor the costs of the program are made known.

Mr. DUNSMORE: My answer to that—and it may not be a satisfactory one—would be this: I think we in the finance committee could take a program, with the costs involved and with the receipts involved, and not knowing what the name of the program was or who the name of the sponsor was, could just as efficiently work as if we did know these names. I do not think we need the names of the programs, nor do we need the name of the sponsor in order to investigate that along the lines I have suggested. Perhaps this is costing the C.B.C. more than it should be, and that is something on which we are working now.

The CHAIRMAN: Mr. Pickersgill, I have let you speak before two or three other people who wish to ask questions; would you mind holding back for a few minutes?

Mr. MUIR (*Lisgar*): Mr. Chairman, I have a supplementary question to Mr. McGrath's question. Does the C.B.C. shop around for sponsors for these productions, or call for tenders on them?

Mr. BUSHNELL: We do not call for tenders, but certainly we rap on doors of advertising agencies and clients, and everywhere else. We have a strong sales force and they are out and trying to sell. They try to get the most money they can.

Mr. MUIR (*Lisgar*): A supplementary question, Mr. Chairman. Why do you not call for tenders? Do you feel it is equitable to go to certain sponsors and ask them without giving other sponsors the opportunity of getting one of your better productions?

Mr. BUSHNELL: Well, I must say it would be something new in the advertising world. I have never heard of any advertising sold on that basis but, perhaps, it would be a good idea.

Mr. MUIR (*Lisgar*): It sounds a little like certain sponsors have a monopoly to me.

Mr. BUSHNELL: Actually, we call on more than one person. We go from one client to another. As I said before, if we are not successful with one client, we go to another.

Mr. LAMBERT: This reverts to a statement made by Mr. Dunsmore and I would like your comments. He stated that this committee was like shareholders of a company. Say, for instance, a company was producing these shows and they were in a loss position, do you not agree that the problem facing management and the shareholders is that if it is losing money, do we continue it or do we wrap it up? I would like your comments on this. Is not that our problem here?

Mr. DUNSMORE: May I answer that, Mr. Chairman?

The CHAIRMAN: By all means, Mr. Dunsmore.

Mr. DUNSMORE: At least, I will try to answer it. I think the point you make is a very fair one. That is what a company would do. They would say if this line that we are selling is not making a profit, why do we not drop it, and it would be up to management, through the board of directors, to tell the shareholders, if they asked why. It might be they wanted to carry it as a loss because it was a loss leader. However, in this case we are dealing with a different proposition and that is what I meant when I explained rather clumsily that we are trying to add to our business yardsticks; and one of them is that the Canadian people want to have Canadian programs with a Canadian content. We have to make up our mind. First, is this costing us too much; and suppose we were able to effect economies and so on to get this down to \$18,000, there is still a big gap. Can we afford to pay that out in order to have that Canadian program, or are we going to review our whole operation and say we cannot afford to do that—that we can only produce programs that will bring in a return which will keep us in the black.

Mr. LAMBERT: I have a supplementary question.

The CHAIRMAN: Just a moment please. Could we have questions fairly closely connected to the motion? We are going quite far afield and I doubt if we are ever going to get to the motion.

Mr. LAMBERT: Is not a supplementary problem this: instead of attacking the costs, should we not be attacking the problem of how much we get back? I am referring to that \$5,600 figure, and I think that is the figure we are trying to strive at here. Are we getting enough? The loss position is the result of subtracting your revenues from your costs, and we have two problems to tackle, not only actual costs, but what is our revenue.

The CHAIRMAN: I am sorry to disagree, Mr. Lambert, but I do not see what that has to do with the motion at the present time.

Mr. PICKERSGILL: I think that particular question of Mr. Lambert's has everything to do with it. It is one of the most fundamental questions there could be. Surely, if we are going to make a judgment on the question of whether or not the amount that these programs are sold for is going to be made public, we have to have the answer to his question.

The CHAIRMAN: But gentlemen, the motion reads as follows:

That all costs of production of both commercial and sustaining television programs in both the French and English networks be presented, at the earliest possible date to the committee, for the last complete month itemizing these costs and relating them to recoveries made from sponsors, and other sources.

My only point, gentlemen, is that we should get to the motion some time within the next two weeks.

Mr. PRATT: It seems to me we are dealing with only one side of the picture. I should like to ask Mr. Bushnell if it is not a fact that the sponsors are not interested solely in the cost of the program but in the number of viewers; in other words, he is interested in the cost to the viewers. Even if Canadian programs may cost only one-half or one-third of what the American programs cost, nevertheless the cost per viewer is normally higher in Canada than it is in the United States.

Mr. BUSHNELL: Very definitely.

The CHAIRMAN: That has been pointed out here.

Mr. PRATT: I do not think the committee has taken particular cognizance of this question.

The CHAIRMAN: What is the question, Mr. Pratt?

Mr. PRATT: That was my first question: that the cost per viewer is much higher in Canada, and certainly these extravaganzas just do not pay a sponsor with a small Canadian population.

Mr. BUSHNELL: That is correct.

Mr. PRATT: Therefore the C.B.C. has to pay a certain portion of it, and this makes the C.B.C. or the public partners with the sponsor.

Even though this committee is willing to forego obtaining information as to the name of the sponsor and the amount paid, it seems to me that this has no relationship to divulging the cost of the program.

The CHAIRMAN: That is what I have been trying to say. I do not think that a lot of these points have to do with the motion.

Mr. TREMBLAY (*Interpretation*): I wish now to put a supplementary question to Mr. Dunsmore regarding publicity agencies.

The CHAIRMAN: Publicity agencies, advertising agencies, or sponsors?

Mr. TREMBLAY (*Interpretation*): I have not come to that yet. On May 26, 1959 I asked as follows: have the publicity or advertising agencies or sponsors made representations to the C.B.C. with a view to saying that the figures should not be divulged? Mr. Derion asked whether, in the contracts which were drawn up between the C.B.C. and the sponsors, there was a clause to the effect that the figures presently asked for by the committee should not be divulged?

Mr. Dunsmore tabled two letters—I am sorry, three letters. Were there, in 1957 and 1958 or before May 26, 1959, representations made by the sponsors to the effect that the C.B.C. should not divulge the figures called for by the committee and now being called for by the committee?

Mr. FORTIN: Mr. Chairman—

The CHAIRMAN: Would you like to answer that first? All right, go on Mr. Fortin.

Mr. FORTIN (*Interpretation*): Mr. Chairman, I have a supplementary question on the same line and at the same time as that referred to by Mr. Tremblay. Did the C.B.C. for its part promise, guarantee, or represent it in any way to be understood that never would these figures be divulged?

Mr. BUSHNELL: Not to my knowledge. Now, speaking to Mr. Tremblay's question: I think it was asked before if we had anything in writing, and I recall saying that we did not. But it was something which has been understood between the C.B.C. and the advertisers for years and years and years. There is nothing in the contract and we have a copy of the contract here which binds us not to disclose the figures; but it has been clearly understood by the advertisers and the management of the C.B.C. that those figures would not be disclosed.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I have a question to put to Mr. Bushnell. Would you please tell me if these are actual verbal agreements, or if there are any actually written documents on which you can base yourself and say that it is really and precisely a definite understanding between the C.B.C. and the sponsors?

Mr. BUSHNELL: There are no written documents to my knowledge. I can speak from personal knowledge and experience. As I indicated to you the other day, I have had 25 years experience in broadcasting. It will be 26 years on November 1, since I have been with the national broadcasting system.

Prior to that I was manager of a private station. During my term of office with CRBC and the C.B.C. I have been program director, and I was also responsible for the sale of programs. I was head of the commercial department as well. So from actual personal experience I can tell you that we have been asked time after time not to disclose these prices. Actually I think—if I may go back—that we have in former radio broadcasting committees, never certainly been pressed, to this extent at least, for these figures. But I can assure you, Mr. Tremblay, that we have just considered it actually as unethical. There has never been anything in writing and we have never done it.

Mr. PICKERSGILL: My question is strictly on the motion. I want to explain that.

The CHAIRMAN: No statements please.

Mr. PICKERSGILL: My understanding is as follows—and Mr. Bushnell will correct me if I am wrong—I understand from the last answer that the argument which he is making for not disclosing—and I want to be fair and make sure that it is right—is that it would displease an advertiser.

I want to get from Mr. Bushnell the advantage to the C.B.C. of keeping this information private, and what advantage there is to the public. I am not in the least satisfied that we have an answer to that question yet.

Mr. BUSHNELL: In answer to Mr. Pickersgill let me put it this way: I think that if you displease a customer, you do not sell him a second time.

Mr. PICKERSGILL: Is that the only argument that the C.B.C. has to advance? If it is, a lot of the members of this committee will have to decide whether or not it would be in the public interest to get this information that is called private. I would not treat it as private, just to please a customer or an advertiser, but only if we can be seized that the C.B.C. is really going to get more advertising revenue.

Mr. PRATT: That sounds like a statement.

Mr. PICKERSGILL: Then we have equal rights in this committee.

The CHAIRMAN: Is your question on the motion, Mr. Dorion?

Mr. DORION (*Interpretation*): Mr. Chairman, I asked Mr. Bushnell the other day to produce a formula and a specimen contract with regard to the

type of contract entered into between the advertising agencies and the C.B.C. I am told that it was produced, but I do not personally have a copy.

The CHAIRMAN: It is being distributed now. It has either been distributed, or it is going to be distributed. Now, Mr. Simpson, is your question directly on the motion?

Mr. SIMPSON: I think it is.

The CHAIRMAN: Let us hear it.

Mr. SIMPSON: Anything pertaining to the cost would be on the motion.

The CHAIRMAN: No, I do not agree with that at all.

Mr. SIMPSON: This is a question I would like to have answered.

The CHAIRMAN: Let us have the question and we will rule whether it will be answered now.

Mr. SIMPSON: I would like to know whether the C.B.C. at any time whatsoever have received any complaints from advertisers that certain other advertisers might be getting—or invariably getting—the benefits of these better programs which are shown on the form as presented to us, as having greater variance between the cost of production and the cost to the sponsor?

The CHAIRMAN: What is your question; I do not get it.

Mr. CHAMBERS: Whether one advertiser thinks another is getting a better break.

The CHAIRMAN: That is, for example, if General Motors bought one, and they had a complaint from Ford that it was never offered to Ford?

Mr. SIMPSON: Or, getting into the smaller advertisers, who do not have as much money to spend, but who could take advantage of these programs which are going fairly cheap.

Mr. BUSHNELL: I have no personal knowledge of that. I think it is safe to say that an advertiser will probably kick about the deal his competitor is getting. But just one point: I think it was mentioned—I am not sure whom it was by—that we would suffer a loss in business. Well, one of the biggest deals that we had for one particular year—I think it was two years ago—we simply could not satisfy this very big advertiser. He stayed off the air that year and the C.B.C. felt obliged to include in its schedule the type of program that he had sponsored before.

Mr. SMITH (*Calgary South*): Would you mind giving us the name?

Mr. BUSHNELL: Yes, it was General Motors.

Mr. SMITH (*Calgary South*): And what was the program?

Mr. BUSHNELL: C.B.C. Theatre. Now it is called General Motors Presents. We lost that business for one entire year. They did not go anywhere. They put their money in publications.

The CHAIRMAN: That was some time ago.

Mr. BUSHNELL: Yes, that was two years ago.

Mr. SIMPSON: I am trying to get at this thing from the point of view of Mr. McGrath and Mr. Muir. I believe Mr. Bushnell said in relation to these figures on the board that that figure of \$5,600 was more or less set by the C.B.C. and that they could sell that program at that price. I wonder who would get priority to make the first move to get the first bid on that show. Maybe the first sponsor who approached might not take it.

The CHAIRMAN: I cannot see how these questions have anything to do with the motion whatsoever. Would you mind asking that question at a later date. Now, Mr. Tremblay, is your question strictly on the motion?

Mr. TREMBLAY: Surely.

The CHAIRMAN: Let us try it for size.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, to follow up the example set by Mr. Pickersgill, I would also like to mention the question of public interest and to ask whether it is in the public interest to expect the taxpayers to contribute towards a program which served the purposes of publicity. Mr. Chairman, this is without giving the taxpayer information as to what the proportion is that he pays in taking part in that publicity.

Mr. BUSHNELL: I do not think it is my place to answer that question.

The CHAIRMAN: I am going to call on the minister. Possibly the minister would like to comment on it. The Hon. George Nowlan is a member of this committee.

Hon. George NOWLAN (*Minister of National Revenue*): Mr. Chairman and members of the committee: I am here as a member of the committee, but if there is a ruling against the making of statements, I do not want to be treated differently from any other member in that regard. In other words, if it is against the rules of the committee to make statements, I do not wish to transgress that regulation as applied to others. But I could express my views in this matter if you wish.

Mr. PICKERSGILL: I move that we hear the minister.

The CHAIRMAN: Do you want to put a limitation on the length of his statement?

Mr. PICKERSGILL: I certainly do not.

Mr. NOWLAN: I do not have any prepared statement to make. As I said, I am here as a member of the committee. I have not spoken to one member of this committee with respect to this matter, other than yourselves. Every member of the committee is free to vote as he sees fit. There is no pressure whatsoever.

If this motion were made in the house, then as minister standing in the house I would say, subject to the usual reservations, which would mean that confidential matters would not be disclosed. But I do not take that stand here.

You are inquiring into the cost and I want those costs to be thoroughly examined in every way shape and form. There can be no question about that whatsoever. The only question I have in mind is that I understand that perhaps the advertiser does not think that the names of the particular sponsor should be given. When you give the name "General Motors Presents" you usually have the name of the sponsor as well, because you know who it is.

We have had letters read this morning from advertising agencies in Canada and advertisers who said that they did not feel that way; they have not said it was prejudicial to them, but it indicated that it would cause them to review their position with respect to the C.B.C. As Mr. Bushnell pointed out, there is severe competition for the advertising dollar, and they themselves need this medium open to them.

If we disclose the identity of the corporation and thereby the name of the advertiser, the result would be that the advertiser might spend his advertising dollars somewhere else and that would be prejudicial to the corporation as well as to the public purse.

I think to some extent that may be the answer to the problem which is bothering the committee.

Mr. PICKERSGILL: As to how the advertiser is going to be protected?

Mr. NOWLAN: I am not the least bit concerned about protecting the advertiser any more than he is. I am concerned about the program of the C.B.C. because it will be my responsibility in a little while to pilot the estimates of the C.B.C. through the house, if God is good to me and I have the strength, and we hope to be doing the same thing next year.

I do not want to be in a position then of having the C.B.C. telling me that we need more money because we have lost advertising revenue because of the action you have taken here in compelling us to disclose the information.

There is no question in the world that if the committee moves by a majority that this information should be disclosed, it will be disclosed. There is no question about that; but my own opinion is that it is not advisable to disclose it. Frankly, I do not see any purpose in it, other than to satisfy the legitimate curiosity as to the identity of a particular firm which is paying out these particular dollars.

We must remember this, and I think I said this in the house, that I am not setting government policy, because the government has not made a decision on this point yet; but I think it is generally accepted that within a very short time I know—I know this, that the Board of Broadcast Governors have drafted regulations for television, and I think it is a fairly safe assumption that within a few months there will be private television stations applying for licences; and the monopoly to which Mr. McGrath referred and quite properly, will prove to be a protection.

Next year there will be private television stations in operation and I am quite sure—and Mr. Allard is sitting down there, he is the president and manager of C.A.B., and if he were asked next year to produce advertising figures in connection with the private stations which may be licensed, he would object most strenuously, and that the committee would not insist that he give them. So you by producing these figures now, if we decide to do so, I would suggest only that would we be driving advertisers away at the moment, or at least they would reconsider the situation, so that perhaps next year the C.B.C. would be placed in a very unfair position in competition with these private television stations which will be competing for the same advertising dollars, and who would know exactly what the advertiser was paying in the way of costs for a program this year.

Parliament is reluctant to vote moneys in the way of the huge sums required, and they are huge sums. Reports show that they will get larger. I do not think we should put the corporation in a position where, rightly or wrongly, we have added to those costs.

I say too, that we have a board of directors. You have heard one of them this morning. I think they are competent businessmen; and I told them when they were appointed that their job was to go into this matter of costs, and to examine it and if possible try to rectify it, if there has been extravagance. I want to see that cleared up.

I think this committee should investigate costs, quite perfectly and properly so. But I do not see where the divulging of names and of sponsors is adding in any way to the information which the committee will get in the most searching examination it can make in this field. Therefore my personal feeling is—and it is only my personal feeling, because I have not consulted my colleagues in the cabinet, and I have not discussed this matter with a single member of the committee—my personal feeling is that the committee should get the costs of all these programs, but that the information should be marked in such a way that it cannot be directly identified by way of any particular sponsor or firm.

The CHAIRMAN: Thank you, Mr. Minister. Might I remind you that the minister is not a witness and I suggest we allow Mr. Smith—because he made the motion—to make a statement.

Mr. SMITH (*Calgary South*): Mr. Chairman, first of all I think it should be clearly stated that the minister has emphasized, and as Mr. Dunsmore already indicated, that nobody consciously is going to do anything in this committee to harm the operations of the C.B.C. That should be cleared out of the way very quickly.

The question then arises whether or not the disclosure of this information is in any way going to produce this effect of cutting back on the revenues.

I suggest that a case has not been made out. When reference was made by Mr. Bushnell that it would, and when he suggested that one advertiser some time ago refused to take a particular program, I think it should be pointed out to the committee that he did come back on the air. I think that we have to recognize, and which is contained in the reference of this committee, is that we are responsible to the public as its nominee to investigate fully the operations of the C.B.C.

I also suggest we should know not only what the total cost will be but also the relationship of the proportion of the income received by the C.B.C. for production. As an example, there have been several cases which show the rather loose way in which this is negotiated with the sponsor. We should have the basis and what proportion he does pay. I suggest this is an important factor for the committee to consider. The argument has been put forward that the advertising agencies have objected to disclosure of this information. I suggest that is not natural. Certainly, an agency which has been able to negotiate a certain arrangement is not going to be in a position where he will lose the opportunity of continuing this. I suggest that in competitive practices we will not be endangering the C.B.C.'s business. We cannot accept less than this on behalf of the people who are subsidizing the C.B.C.

Mr. PICKERSGILL: I would like to make some observations particularly with reference to what was said by the Minister of National Revenue. The one argument the minister made which impressed me very much was his argument that within a year there is likely to be a competitive set-up in this field.

Mr. SMITH (*Calgary South*): Are we going to proceed with the motion or are we going to have further debate on it?

Mr. PICKERSGILL: It seems to me if we vote for this motion, if we are going to be consistent at all, when that situation arises, which the Minister of National Revenue envisages, we must also insist that private television operators disclose these costs also, because on the basis on which the C.N.R. and the C.P.R. have been treated ever since the C.P.R. has been brought into existence, we have always taken the view that the C.N.R. should not be asked to disclose anything which its competitor would not be asked to disclose. I think this would be an unfair way of interfering with private business. Despite what I am saying, I am not at all satisfied with the reasons which we have had for keeping these secret. However, I do not see how I could vote for the motion in the circumstances stated by the Minister of National Revenue.

The CHAIRMAN: Are you ready for the question?

Some hon. MEMBERS: Question.

Mr. PRATT: May I make one statement?

The CHAIRMAN: Yes.

Mr. PRATT: I fail absolutely to see why any sponsor would refuse to come back and purchase a show if the amount were made public. I do not see that.

The CHAIRMAN: Here is the motion:

Moved by Mr. Smith (*Calgary South*), seconded by Mr. Pratt that all costs of production of both commercial and sustaining television programs in both the French and English networks be presented, at the earliest possible date to the committee, for the last complete month itemizing these costs and relating them to recoveries made from sponsors, and other sources.

All those in favour of the motion say "aye".

In my estimation the "ayes" have it.

Would all in favour put up your hands, please.

Eleven.

Those against the motion please put up your hands.  
Nine.

It is eleven to nine. I declare the motion carried.  
Gentlemen, I think we have had enough for today.  
May we continue this meeting tonight at eight o'clock. Is that agreeable?  
Agreed.

## EVENING SESSION

TUESDAY, June 2, 1959.  
8.00 p.m.

The CHAIRMAN: Gentlemen, we have a quorum.

Mr. BUSHNELL: Mr. Chairman, may I make a request?

The CHAIRMAN: By all means, Mr. Bushnell.

Mr. BUSHNELL: This afternoon we have drafted—and I would like to emphasize the fact it is a draft only—for your consideration, a little sheet of paper which says, "Canadian Broadcasting Corporation television costs and recoveries, live Canadian productions." Now, with your permission, Mr. Chairman, it might be distributed to the members of the committee—

Mr. BELL (Carleton): I think I should like to see it.

Mr. BUSHNELL: —and see if that would be sufficient to answer your purposes.

The CHAIRMAN: Do we have enough draft copies?

Mr. BUSHNELL: Yes.

The CHAIRMAN: This is to follow up the results of the motion of today?

Mr. BUSHNELL: That is right, and actually the motion itself has brought one or two questions and problems to our minds and we do not want to appear again to be reluctant. We will do anything this committee wishes us to do. But, on the other hand, we do have to keep in mind that when this motion says "itemizing these costs," if you want that broken down in such very great detail I will have to tell you it will take at least six men a week, to get one week's information.

Mr. BELL (Carleton): Mr. Bushnell, with the memorandum which you have now produced, how long would it be before you could produce that information?

Mr. BUSHNELL: Well, again, Mr. Bell, that depends on whether you want it for a full month, as the motion suggests. May I remind you we are putting out 10,000 live Canadian television shows a year, and you can divide that by twelve and it means we would have to go through the books for well over 800; and that is a pretty monumental task.

The CHAIRMAN: May I suggest, Mr. Bushnell, that inasmuch as Mr. Smith, the mover of the motion, is not here, or Mr. Pratt, the seconder, that we postpone any further discussion on that. If you gentlemen would like—have you all copies?

Mr. MCGRATH: May I make a suggestion?

The CHAIRMAN: By all means, Mr. McGrath.

Mr. MCGRATH: By reason of the fact there has been a pretty minute breakdown of the program Peter Grimes, perhaps it would not be necessary to have such a minute breakdown for all other programs.

Mr. BUSHNELL: We are suggesting, actually, that this form might be adopted or used.

Mr. MCGRATH: May I study this form?

The CHAIRMAN: Mr. Bushnell, will you explain it to us?

Mr. McCLEAVE: I think we should not postpone it. We had a majority vote in the committee and here we are.

The CHAIRMAN: Mr. McCleave, do you think in this form it will be sufficient?

Mr. McCLEAVE: I would like to ask Mr. Bushnell whether they would even prefer a simpler form than this? I do not think anyone contemplated that we would tie up all sorts of people in the Canadian Broadcasting Corporation for an endless time filling in forms.

The CHAIRMAN: I would suggest, Mr. McCleave, that Mr. Bushnell carries on with this form and let us discuss it. At the end of the submission he can tell us approximately how much time it would take to give us all the information that was requested in the motion. Would that be satisfactory to the members of this committee? Agreed?

Agreed.

The CHAIRMAN: Would you continue with the form, then, Mr. Bushnell.

Mr. BUSHNELL: Now?

The CHAIRMAN: Yes. I think they all have copies in front of them.

Mr. BUSHNELL: I thought it was suggested actually that you should leave the whole thing until Mr. Smith and Mr. Pratt were here.

Mr. McCLEAVE: Let us go on with it now; we are here and the others are not.

The CHAIRMAN: Is that agreeable to you, gentlemen? My thought was that we would discuss the form right now and see if that is sufficient for this committee. If we did not feel that we required a whole month's costs, that possibly Mr. Smith and Mr. Pratt, the mover and seconder, would somehow change their recommendations or suggestions.

Mr. BUSHNELL: Well, Mr. Chairman, could I have Mr. Gilmore explain this in greater detail?

The CHAIRMAN: Certainly.

Mr. J. P. GILMORE (*Controller of Operations, Canadian Broadcasting Corporation*): Mr. Chairman, the proposal here is to set forth in their main items the items of cost, starting at the top with the program title, the location at which the program was produced and the name of the sponsor.

The next line would be the date of telecast, the time, which will indicate whether it was a quarter, a half or a one-hour program, and then the program code number, which is based on our ledger accounts.

Then we go to the production cost, in which I think the breakdowns are self-explanatory and the talent, the program production, design, staging and the technical. That would give us the production cost sub-total. To this we would add, as we have shown on other itemized costs we have given you, the regional production centre overhead and then the management supervision, to come down to a total production cost. Would there be any questions on that?

Mr. BELL (*Carleton*): To what extent will that reveal individuals? For example, on talent, will that disclose the individual amounts which are paid to certain persons?

Mr. GILMORE: Not on the basis of this block breakdown, necessarily. It would be total talent paid on that program.

Mr. BELL (*Carleton*): On some programs it might?

Mr. GILMORE: If it is a one-man program it could.

Mr. BELL (Carleton). Well, that is the concern I have. I do not want to see, Mr. Chairman, a breakdown which discloses the amounts paid to a single individual.

The CHAIRMAN: That would be contrary to the decision made by this committee at the inception.

Mr. FLYNN: Could this be complemented by the number of actors involved?

The CHAIRMAN: The number of people with that talent, for example?

Mr. GILMORE: Yes, the number of performers.

Mr. FLYNN: Could I agree with Mr. Bell that maybe we could spare the programs involving only one talent.

Mr. GILMORE: Could I suggest, Mr. Chairman, that a logical combination to put these two items in would be simply program production and talent?

The CHAIRMAN: Well, if you put both those together then we would, I think, not possibly get the individual amounts for any individual artist. Is that agreeable?

Mr. MUIR (Lisgar): I would object to any talent quota program production.

The CHAIRMAN: Why?

Mr. MUIR (Lisgar): Because I think we do not need that breakdown. I do not want to get down to the individual, I am opposed to getting down to the individual; but I do not think there are too many shows that only have one person acting on them.

The CHAIRMAN: There are bound to be some shows.

Mr. GILMORE: May I suggest, then, that in programs using only one artist that we combine those?

The CHAIRMAN: Is that agreeable, with just one person hired as talent that we incorporate the talent and program production together under one heading?

Agreed.

Mr. MCGRATH: Arising out of this breakdown, could we perhaps have an explanation of what is meant by "management supervision"?

Mr. GILMORE: Yes, sir, I think the comptroller, Mr. Henderson, referred to this in one of his talks to you on the subject of overhead. This is the national departments which would, for the purposes of this discussion, be the production from Ottawa, the president's office, my own office and Mr. Henderson's office, distributed across the whole program output.

Mr. MCGRATH: That is the cost accounting?

Mr. GILMORE: Yes.

The CHAIRMAN: Would you continue, Mr. Gilmore?

Mr. GILMORE: Under recoveries we show two sections, one from sponsor; and here the recovery breaks down into three logical categories, program package, which we have talked so much about, is the sponsor's contribution to the production cost. Then the station time, which is the payment by the sponsor for the one-time rate on a given station to air that program; and then under the category "other" we propose to put the cost of network distribution.

The CHAIRMAN: And private affiliates?

Mr. GILMORE: Private affiliate payments would be deducted from the station time.

The CHAIRMAN: That would be included in the "other"?

Mr. GILMORE: No, sir, it would not be included; but it could be included as a journal entry. Or we could include another category showing the payment to private stations, if you wish.

The CHAIRMAN: I think it would be interesting if that was shown as a separate item, payment to private affiliates.

Mr. BELL (Carleton): What is the purpose of that?

The CHAIRMAN: Well, Mr. Bell, my thought on that is that part of the network of Canada today, I mean the whole of the network of Canada today is not only C.B.C.; they have several affiliated stations, and I thought it might be interesting to the committee if we are told how much these stations get for this half-hour, this fifteen minutes or this hour.

Mr. BELL (Carleton): Well, as usual, you are very convincing.

The CHAIRMAN: Thank you, Mr. Bell.

Mr. GILMORE: Can I point out we cannot enter this under "recoveries." It would have to be down under both.

Mr. BUSHNELL: You would have to show it in and out.

The CHAIRMAN: Mr. Simpson, do you have a question?

Mr. SIMPSON: Getting back to production cost, could we have an explanation of the second item, program production?

Mr. GILMORE: In the program production cost would be such things as the time of the producer, time of the script assistant, and the production assistant. Such direct program personnel charges would be included there.

The CHAIRMAN: Very much, Mr. Gilmore, as was shown on a couple of breakdowns we have had to date?

Mr. GILMORE: Exactly, sir.

Mr. McGRATH: Mr. Chairman, where would the network line charges be included?

Mr. GILMORE: In the cost side of it, or in the recoveries? That would be under "other".

Mr. McGRATH: Where would the cost be?

Mr. GILMORE: The cost would have to be included as a separate item under "technical".

Mr. McGRATH: Well, your network line charges would be the same for every show carried on the network?

Mr. GILMORE: For every unit of time, yes. It may be a rather difficult calculation to make. I would think it would have to be a pretty arbitrary division to cost that unit of time, because these network contracts do run for five or ten years. It is based on adding certain stations as we go forward. So it is pretty hard to say that a distribution of 43 stations for a one-hour program would cost X hundreds of dollars, and the next quarter-hour the network changes to only 40 stations. Then the costs change.

Mr. McGRATH: But your contract with the Bell Telephone Company, for example, and those other companies that have built the microwave network would be on a contract basis?

Mr. GILMORE: Yes, sir, and we could arbitrarily take that down to an average one-hour cost basis for each eight-hour day.

The CHAIRMAN: I think that would be satisfactory, Mr. Gilmore. Would that be satisfactory to you, Mr. McGrath?

Mr. McGRATH: It would, yes.

Mr. McCLEAVE: May I ask Mr. Gilmore for an explanation of (b) "from parliamentary vote" under "recoveries"? Is that just to bring that up to the total production cost?

Mr. GILMORE: Yes, I think that becomes a very significant factor, Mr. Chairman, if I may put it this way. For all sustaining programs, and do not let us forget this will include a lot of sustaining programs, the full amount will show in there, and on commercial it will be divided between the sponsor payment and the balance from public funds.

Mr. FORTIN (*Interpretation*): Where will we find the amount of money paid, or to be paid, to the author of a play which is to appear on the television screen?

Mr. GILMORE: Mr. Chairman, under "talent".

Mr. DORION: Even if he has no talent at all.

Mr. FORTIN (*Interpretation*): On condition that the author has talent.

Mr. GILMORE: Sir, this will be a very objective analysis.

The CHAIRMAN: We realize that.

Mr. MCGRATH: In connection with this breakdown of figures, Mr. Chairman, for cost of production and the amount to be recovered from the sale of television programs, is it possible to have an explanation on the procedure that is followed? For example, is there a department of the Canadian Broadcasting Corporation charged specifically with the sale of these programs; and, for example, are there personnel in that department who operate on a commission basis, the same as in a private radio station, for example, on the ordinary 15 per cent commission?

The CHAIRMAN: Are you finished, Mr. McGrath?

Mr. MCGRATH: Because if that was the case it would be included somewhere there.

Mr. GILMORE: Mr. Chairman, the method of handling these sort of transactions is that at our network head offices and at each of our production locations there is a small commercial department. They are concerned with the sales of programs. They are salaried personnel in the corporation. Their costs would be shown under the regional production centre distributed against all commercial programs.

The CHAIRMAN: Any other questions on this form, Mrs. Casselman or gentlemen? Then, is this form agreeable to every person sitting here tonight?

Agreed.

The CHAIRMAN: Thank you very much.

Mr. BELL (*Carleton*): When can the information be produced?

The CHAIRMAN: How long would it take, Mr. Bushnell, please, to get all the information requested?

Mr. BUSHNELL: I should think, Mr. Chairman, probably by a week from today we could give you one week and then work forward week by week.

The CHAIRMAN: And how many people would it take to make this information available—how many man-hours at least to get this information for a week?

Mr. BUSHNELL: It will take a maximum of—probably Mr. Henderson can answer that.

Mr. A. M. HENDERSON (*Comptroller, Canadian Broadcasting Corporation*): Mr. Chairman, I think it will take three senior men, three junior men and probably two girls, working for the best part of a week to produce a week

The CHAIRMAN: At each point?

Mr. HENDERSON: The whole job.

The CHAIRMAN: Three senior men—

Mr. HENDERSON: Three senior men, three junior men and about two girls for the typing. We have got some 200 of these to pull out for the week.

Mr. FAIRFIELD: I do not think there is any use of this committee trying to study 850 approximately of these forms. We will not get anywhere with them. I do not want to back down on the motion, but when that number of forms is produced in front of me I am certainly going to be stalled just looking at them, let alone studying or going through them. Could we not get down to a more reasonable number of forms to study?

Mr. MCGRATH: That is a question which is very well taken. Would it not be possible to get a cross-section of a week's transmission, rather than your complete log, which would cover your different types of programs?

The CHAIRMAN: There is only one thing wrong with this, gentlemen, and that is we had a motion this morning. If it is agreeable with you I would suggest that the C.B.C. go on and give us one week's program, and then we will take this to the steering committee and invite Mr. Smith and Mr. Pratt, the mover and seconder of the motion, and see if they would be agreeable—

Mr. PRATT: Well, Mr. Chairman, I am entirely in favour of this idea. I think it is ridiculous to try to get that number—

Mr. BELL (Carleton): I do not think I agree with it, Mr. Chairman. This committee passed a motion this morning. I voted against it. If those who voted for it want to back down on something they have done, that is up to them.

Mr. PRATT: I object to that, because I am on the record as having seconded the idea. I would suggest the only problem before us is to find a method of choosing one dozen or two dozen typical shows, which would be satisfactory to the majority of the members of this committee. This could be done by the steering committee, or maybe this committee would agree to form a small committee of its own to do this; but I do not think it would be feasible for this committee to ask for this mass of information.

Mr. BELL (Carleton): Well, that is what the committee asked for this morning.

Mr. PRATT: But the committee this morning—

Mr. BELL (Carleton): Why was not the committee better advised this morning?

Mr. FLYNN: That is not the reason you voted against it, Mr. Bell.

Mr. PRATT: Mr. Chairman, I think I have the right to the floor.

The CHAIRMAN: All right, go ahead, Mr. Pratt.

Mr. PRATT: Thank you. We were dealing this morning with a matter of principle, and here we are dealing with a matter of common sense.

The CHAIRMAN: Mr. Chambers, you have a question?

Mr. CHAMBERS: Would it be true if we took a month, would there not be a lot of repetition—that is, shows that are on weekly or even daily—and we will be getting, in fact, the same information four times over, or even 20 times?

Mr. BELL (Carleton): Exactly.

The CHAIRMAN: May I suggest once again, even if the C.B.C. do give us the 800 different breakdowns, that this committee can still make its choice of any number of those 800 they may wish to analyze? I still revert to my original thought that this could be brought up at the meeting of the steering committee, at which time Mr. Smith and Mr. Pratt would be invited, to see if there is any change in their request.

Mr. McCLEAVE: I would suggest we get a week's run and decide where we want to go from there.

Mr. FAIRFIELD: I just wonder, on this question, how many of these 10,000 are sponsored programs. After all, this is what we are looking for.

Mr. BUSHNELL: About 60 per cent.

Mr. FAIRFIELD: We are looking at 10,000 and not 6,000.

Mr. BUSHNELL: That is not the motion.

Mr. MCGRATH: The committee wants to be fair to the corporation, I think. What percentage of the shows would be network shows? What percentage of sponsored shows would be network and what percentage would be local?

Mr. GILMORE: I have no immediate breakdown on what is network and what is local, but the question called for all network shows. I think the wording of the motion asks for network programs.

Mr. MCGRATH: That is the answer to my question.

The CHAIRMAN: May I suggest it is going to take a week's work to get a week's programs; and some time during this week it could be brought before the committee. Is that agreed?

Agreed.

Mr. PRATT: If the committee wants a list of specific shows, I have a list I have drawn up myself, which I would be happy to put forward as my suggestions.

The CHAIRMAN: You may present them to the steering committee.

Mr. PRATT: All right.

The CHAIRMAN: During the last two or three sittings there was a number of questions asked. I know there are some short answers and some answers that should be tabled.

Mr. Bushnell, are you, or is one of your confreres ready to answer these short questions verbally?

Mr. BUSHNELL: There are some that may not be too short; at least, the material that is attached to them is rather voluminous.

This list of speakers for the calendar year 1958 on radio and television opinion and commentary programs, on the French and English networks is one. This material, I believe, has been filed with Mr. O'Connor, and is ready for distribution.

The CHAIRMAN: That has been distributed.

Mr. BUSHNELL: It has been distributed.

The CHAIRMAN: Do you wish this to be put in the appendix? As Mr. Bushnell has said, it is pretty heavy material. What is the wish of the committee?

Mr. BELL (Carleton): I do not think we should go to the extent of printing it as an appendix.

Mr. CHAMBERS: If the Clerk of the committee assures us that the members who are not present will get copies, then that will be all right.

Mr. BELL (Carleton): We all received copies this morning.

The CHAIRMAN: Would it be agreeable that the steering committee review each one of these very carefully; and if there is any point, page or part that should be printed in the appendix, do we have permission from this committee to do so? Is that agreed?

Agreed.

Mr. BUSHNELL: The second document I would like to file, Mr. Chairman, is in answer to a question that was put. I think, by Mr. Dorion on May 21 regarding copies of C.B.C. policies on political and controversial broadcasting in French and English.

The CHAIRMAN: They have been distributed, have they not, Mr. O'Connor? Gentlemen, what is your wish? Is it that this distribution is sufficient, or do you wish them to go to the steering committee again? Any comments?

Mr. SIMPSON: Put them through the same as the others.

Agreed.

Mr. BUSHNELL: The third document I would like to file—and probably it has been distributed too—is the television broadcast agreement, which I think Mr. Dorion asked for. Again, Mr. Dorion, I must apologize. I only have this in the English language at the present time; and, at least, we will try to procure some copies in the French language, if you will permit me to do so, later.

Mr. DORION: May I have a copy of this?

The CHAIRMAN: This is in connection with what?

Mr. DORION: This is on political and controversial broadcasting—policies and rulings.

The CHAIRMAN: Would you continue, Mr. Bushnell?

Mr. BUSHNELL: I think there were some other questions asked, to which we have prepared the answers; and I was prepared, actually, to speak to a question asked by Mr. Pickersgill, but I do not see him here. Would you prefer that I leave that?

The CHAIRMAN: You can answer it; it will appear in the record.

Mr. BUSHNELL: Fine. This question, I believe, was a question asked by Mr. Pickersgill, who seemed to have some doubt about the wisdom of the C.B.C. adding to its news reporting staff in Ottawa. I asked for time to consider that, and I have here a prepared statement, which will take me only two or three minutes, or maybe five at the outside to read.

The CHAIRMAN: Very well, Mr. Bushnell.

Mr. BUSHNELL: In the developing techniques of broadcast news we feel the public should have the opportunity of hearing as well as seeing the news.

Our daily newscasts for radio and TV are still soundly based, as they always have been, on the dispatches of the great news agencies, Canadian Press, Associated Press, Reuters, United Press International, and Agence France Presse. However they do have some limitations for broadcasting. They can provide us with the written word that can be shaped into bulletins and given to the news readers. They do not provide us with the supplementary news material that we need.

We think that the public should have the chance to hear the voices of the people who make the news, to see them on television programs, and if possible to be taken right to the scene of the news by radio and TV as the news is happening.

We cannot get this kind of Canadian coverage anywhere so we have to provide it ourselves.

The new Broadcasting Act does not change the authority given us in this field. Since the early 40's we have been gathering and broadcasting news on our own initiative, on CBC News Round Up, and, we hope, steadily building a reputation for integrity and independence.

All networks and enterprising private stations have found that they, themselves, must go out after the news to provide voice and actuality reports and news on film. This means setting up a news gathering organization, recruiting reporters and cameramen and training staff.

It should be noted that for many years we have had the help of private radio stations in this task, getting reports from their newsmen and from working newsmen in all parts of Canada. In television we took the lead a few

years ago in forming a newsfilm co-operative. Today almost a dozen private stations pool their camera coverage of Canadian events, with CBC News acting as the distributing agent.

Extending back to war days, we have been building up a staff of foreign correspondents and their first hand reports by voice and film give authority and distinction to our news broadcasts. Only in such a way could we get the news in broadcast form as seen through Canadian eyes. To move out of this field of news gathering would set news broadcasting back many years, placing us behind the B.B.C. and the American networks, all of whom have their experienced staff at home and in key capitals abroad.

In one respect we feel we are behind the times, in not covering our own capital as thoroughly as we should perhaps do. While the B.B.C., for example, does a very complete job of covering British parliamentary affairs with its own staff men, the C.B.C. is still largely dependent on free lance correspondents in Ottawa for our supplementary coverage. Indeed the B.B.C. has recently appointed an Ottawa correspondent who will shortly be establishing his office here.

Following on that statement, I would like to amplify some remarks I made at the meeting of the committee, I think it was, last Thursday. Some apprehension was expressed when I said I realized the dangers of our own personnel covering parliament. Let me make myself quite clear now, if I can. By that I did not mean that any of these so-called dangers lay in our staff not covering it properly. We have the highest regard for the ability and integrity of our news staff. Indeed many years ago when the C.B.C. news service first started, some people expressed fears about the corporation getting into the news business. The record over the years and the reputation, so we think, which the C.B.C. news has gained for itself has disproved those fears completely. I am aware that when we begin to do a much more thorough job of reporting parliament through our own staff we will be moving into a reasonably sensitive area. I can well imagine for instance a Member of parliament making a statement which he, himself, thinks is a very important one, not finding it covered in the C.B.C.'s report from parliament, and probably feeling that the news is not being properly reported. That is the sort of thing I mean. Those are the inherent dangers. Maybe it is not a particularly apt illustration, but it is the sort of thing I have in mind.

Now may I draw to your attention, Mr. Chairman, Mrs. Casselman and gentlemen, that that small staff which has been reporting the Ottawa scene so far has been doing a first-class job. Nevertheless I am quite confident that when we reach the stage of adding to our Ottawa staff with a parliamentary correspondent, the news will do just as able a job in this field as it has in others.

Mr. Chairman, that is my statement.

The CHAIRMAN: Are there any questions on the C.B.C. Ottawa news coverage?

Mr. McCLEAVE: Is it your intention, Mr. Bushnell, to promote someone from your present news staff or to choose someone from outside the organization? I hope it is the former.

Mr. BUSHNELL: I think we would prefer it that way.

Mr. McCLEAVE: You mean to choose someone from your own news staff?

Mr. BUSHNELL: Yes.

Mr. McCLEAVE: Thank you.

Mr. McGrath: Is it your intention to have regional reporters or news reporters to report parliament on a regional basis to cover your networks?

Mr. BUSHNELL: Regional in the sense that they report only activities pertaining to that region?

Mr. MCGRATH: Relating to that region, yes.

Mr. BUSHNELL: I imagine that they will be doing just that, yes.

Mr. BELL (Carleton): I think Mr. Bushnell could go further than that.

Mr. BUSHNELL: Within the limitations of a good reporter; that is, within the limitations in the physical sense we will do it if we can. If it means putting half a dozen men on, we will have to take it into serious consideration.

Mr. FORTIN: Is it your intention to appoint a French-speaking reporter as well?

Mr. BUSHNELL: Yes sir.

The CHAIRMAN: Are there any other questions on the C.B.C. Ottawa news coverage?

Mr. BELL (Carleton): Mr. Chairman, I presume there will be an occasion further on after having examined the very important statement which Mr. Bushnell has made, when we will be able to return to it. Certainly I want to read it. I have not completely recovered from the misgivings which I expressed the other day.

The CHAIRMAN: That is right, Mr. Bell. We shall have an opportunity to return to it.

Mr. BUSHNELL: Mr. Pickersgill asked one other question with respect to the quantity of Canadian and international news, and also something, I think, about violence.

From Sunday, April 26, to Saturday May 2,—I am speaking only of what we call the national or 11 p.m. television news—the seven bulletins included a total of 97 items. Fifty-three, or 54.6 per cent of the items were Canadian; the rest, international.

The Canadian items took up 67.6 per cent of the total time represented by the seven bulletins.

On four of the seven newscasts, the lead items were Canadian news stories.

Of the total 97 items during the week surveyed, six were in the violence category: the building of the Norwegian ship in Vancouver harbour; a non-commuted hanging in British Columbia at Oakalla prison; the murder of an American negro charged with rape; a railway accident in British Columbia; a fire in Ottawa, and a fire in Newfoundland.

The news department from time to time checks on usage of news items and every time they have tested the content of news bulletins over a period of time it has run at about 50 per cent Canadian material, another 20 to 25 per cent American, a large part of which has special reference to Canada, and 25 to 30 per cent straight international news relating to developments or countries outside Canada and the United States. This applies in general both to radio and television.

The CHAIRMAN: Are there any questions on the 11 p.m. national news? If not, thank you, Mr. Bushnell.

Mr. BUSHNELL: Now, Mr. Chairman, I would like to call on Mr. Marcel Ouimet. On May 26, Mr. Tremblay asked concerning the date of the Teletheatre production cited in the answer submitted on costs of sustaining programs and the number of artists involved. This was the production of December 11, 1958. It involved 15 performers.

Some of these questions relate to programming and I would like our deputy controller of broadcasting, Mr. Marcel Ouimet, to present the answers for the corporation.

Dr. Fairfield asked for the cost breakdown of audience research bureau and total amount of payments to outside research firms.

I think I have covered Mr. Pickersgill's question and I think Mr. McGrath asked for the figures on the size of total audience for Peter Grimes.

I have with me tonight Mr. Ouimet who will be glad to answer these questions for you.

The CHAIRMAN: Would you mind repeating the question first so we can carry on.

Mr. MARCEL OUIMET (*Deputy controller of broadcasting, Canadian Broadcasting Corporation*): Dr. Fairfield on May 19, asked for the cost breakdown of the audience research bureau and total amount of payments to outside research firms.

I have a report which indicates that for the fiscal year ending March 31, 1958, audience research expenditures were \$273,000. Of this amount, \$79,000 was paid to commercial research firms either for regular rating surveys or for field work for special studies. Regular services accounted for \$45,000 while field work for special studies amounted to \$34,000. Salaries for audience research staff accounted for \$169,000 and travelling expenses \$14,000. Miscellaneous items such as printing and stationery, photographic and art work, papers, periodicals and books for the library accounted for the remaining \$11,000.

Mr. FAIRFIELD: What is the function of the audience research department?

Mr. OUIMET: Later on we can submit two documents which will give you a very good idea of the job which audience research is called upon to carry out. One of these describes the audience research bureau and it is available in the form of copies which can be distributed.

Mr. FAIRFIELD: Is this a typical bulletin of March, 1959, this audience research bulletin?

Mr. OUIMET: This is one of the bulletins which go out; but there are also some very much shorter studies than this.

Mr. FAIRFIELD: Is this a study? It gives no figures and no statistics. Who asked for it?

Mr. OUIMET: This is done generally when the need arises to find out about a certain program in particular, or other questions.

Mr. FAIRFIELD: There is no sense in doing anything which can be done just as well by other commercial firms.

Mr. OUIMET: The audience research bureau, if I may read to you concerning its organization and function, operates as follows:

The bureau of audience research will be responsible for conducting scientific research about the size, composition and characteristics of listening and viewing audiences, both English and French, across Canada and for investigating the reaction and preferences of the Canadian public about radio and television programs. It will also be responsible for special opinion and market surveys about broadcasting in Canada.

The bureau will act in an advisory and service capacity to management, the program division and other related divisions such as commercial, press and information, station relations and broadcast regulations—

To all intents and purposes this is what we call an analysis of the job to be carried on by the audience research bureau.

Mr. FAIRFIELD: According to this particular March bulletin there are some inferences which you got from the reports made by Elliott-Haynes, are there not? It says that it should come as no surprise to learn that most intensive use of audience research information in Canada is made in the Toronto area where television viewers may receive programs not only from the C.B.C. television network but from Canadian private stations as well.

Is this not merely a duplicate of what you can get from commercial firms at a cost of \$79,000, which is considerably less than the cost of \$273,000.

Mr. BELL (Carleton): Would Dr. Fairfield please identify the document to which he refers?

Mr. FAIRFIELD: I refer to the audience research bulletin put out in March 1959 by the audience research department of the C.B.C. at Ottawa. It is filled with platitudes—perhaps I should not say all platitudes; but from it one would get the suggestion that this material is covered by commercial firms.

Mr. OUILMET: I would not exactly say that. I would like to call on Mr. Trainor, either to confirm or to disagree. Mr. Trainor is here tonight. This was published as a sort of aid to the C.B.C. staff on how to make use of audience research.

The CHAIRMAN: Mr. Trainor would like to make some comments. I think he is in the audience research division.

Mr. FAIRFIELD: I have other questions to ask, Mr. Chairman. I would like to find out if there is any distribution of this to the sponsors of programs over the C.B.C.?

Mr. J. TRAINOR (*Assistant to Director of Audience Research Bureau, Canadian Broadcasting Corporation*): Sir, what do you mean by distribution to sponsors?

Mr. FAIRFIELD: I mean distribution of these audience research bulletins.

Mr. TRAINOR: This is for internal distribution only. The sponsors have to buy the same data that we buy. They may buy it, if they wish, from the advertising agencies.

Mr. FAIRFIELD: From whom would they buy it?

Mr. TRAINOR: From the same people we buy from. It might be Elliott Haynes, International Service Limited; the Bureau of Broadcast Measurement, or Nielsens.

Mr. FAIRFIELD: Well, you paid \$79,000 to commercial firms, according to this breakdown.

Mr. TRAINOR: Yes.

Mr. FAIRFIELD: And yet your own audience research bureau costs you \$73,000?

Mr. BUSHNELL: It is not only due to that. It interprets those for us and also does a multitude of other things. They do not just simply look at Elliott-Haynes, international surveys and Nielsen's. One of the reasons we set up this audience research was because we were getting conflicting reports from these organizations. We are trying to find out which is the better of the two. These figures which come from the survey companies vary widely. We have very exhaustive analyses made of them.

Mr. FAIRFIELD: Does the audience research bureau make any survey at all?

Mr. BUSHNELL: Occasionally; yes.

Mr. FAIRFIELD: How many on a vast scale?

The CHAIRMAN: You mean an audience program rating?

Mr. FAIRFIELD: Yes.

Mr. BUSHNELL: Let me give you a little illustration. I think a little over a year ago last winter there was a considerable difference of opinion over hockey right in this city as to which hockey game we should televise on occasion in Ottawa. Our audience survey department made quite an exhaustive study in Ottawa. It was only because of that that we came to the conclusion that the game from Montreal should be brought into Ottawa every other week. The game from Toronto, likewise. The audience research department is providing information for the engineering department. You will get a little bit of that

later when we come to a discussion of the distribution of programs and where they should go. They are doing a multitude of things besides just taking a look at these surveys. I might add that some program formats were changed because of certain findings which came from the research service.

The CHAIRMAN: Do the C.B.S., the National Broadcasting and the American can take full advantage of A. C. Nielsen and the other rating services in the United States or do they have their own type of audience research bureau? Do they have something comparable to what we have in Canada?

Mr. BUSHNELI: Very much so; but they cannot agree which is the best. There are about four methods over there. Some of them use Nielsen and some of them use some of the other organizations. They all have their own research departments. As a matter of fact if you read *Variety*, which is a trade magazine, you will probably see about seventeen conflicting statements in every issue.

Mr. BELL (Carleton): May I raise a question in connection with the conduct of the committee. When Dr. Fairfield was examining I was sitting across the table from him and I saw he had a bulletin called audience research bulletin with a large question mark on it. I had not yet had this at that time and then I was handed, by the official messenger for the committee, a memorandum which said, organization and functions of audience research. Then immediately subsequent to that I was handed the document which Doctor Fairfield had. I think we should have some idea of the place from which these documents come. I appreciate the problem, perhaps more than most, because I have had possibly more experience than anybody in the committee with the efficiency of the C.B.C. However I would like to have these identified before they are presented to us. I do suggest that someone should take the responsibility for these documents before they are presented to this committee.

The CHAIRMAN: I was under the impression that this audience research bulletin had been distributed two meetings ago. I was entirely wrong on that.

Mr. BELL (Carleton): I think you must have been.

The CHAIRMAN: Mr. Bushnell, Mr. Trainor, or Mr. Ouimet, would you like to identify these?

Mr. BUSHNELL: I think Mr. Trainor can answer this.

Mr. BELL (Carleton): I just wanted all these documents identified.

Mr. TRAINOR: First, the audience research bulletin is something which the division issues once a month in French and English, summarizing the activities of things going on in research in the audience research division and in outside organizations in an attempt to keep the staff up-to-date on research matters. This particular issue was given you just to show you the various types of surveys which are available. If you read it closely, you will see why we measure audiences, then how they are measured and the various methods. Some are done by telephone coincidentals, some by recall method, some by diary panels and others by diary panels with electronic control. This particular bulletin is to instruct and explain further to all our people throughout the corporation the type of services we are buying.

The CHAIRMAN: Which cost you \$79,000?

Mr. TRAINOR: The regular rating services cost us \$45,000. In addition to that, on a specific occasion, we may have to measure a program which is not being measured in the normal measurement and this will cost anywhere from \$1,000 to \$3,000.

The other document is the organization and functions of audience research. It briefly outlines what the head office function is, the director's office, the three departments and the statistics department with which I think Mr. Bushnell indicated you will be dealing later. When you get to engineering, you will see

the various ways the engineering and commercial divisions use the statistics department. The analysis and reports department primarily is concerned with taking the data we receive on a monthly basis, comparing the various reports, developing trends, and issuing information throughout the corporation on this.

Mr. BELL (Carleton): Has the chairman had an opportunity of reviewing this memorandum.

The CHAIRMAN: You mean the organization and functions of audience research.

Mr. BELL (Carleton): Yes.

The CHAIRMAN: No.

Mr. BELL (Carleton): Do you recommend that this be included as an appendix?

The CHAIRMAN: I would suggest all these documents with the exception of this audience research bulletin be printed as an appendix, if it is agreeable.

Mr. BELL (Carleton): If it is recommended by the chairman.

The CHAIRMAN: Is that agreeable?

Agreed.

Mr. TRAINOR: The research projects department is pretty well outlined in the first sentence. This department is responsible for the planning and execution of special studies of various kinds in an attempt to learn more about the impact and effects of radio and television broadcasting and the nature and behaviour of audiences of different kinds.

I mentioned earlier that we occasionally get some field work done by the commercial research firms. As a rule, we do not go out and do our own field work. For one reason it is too costly on a nation-wide basis; secondly, if we do the field work the sponsor and the advertising agency may say you did the work yourselves and it is biased. Therefore, we hire outside firms and it is unbiased.

The CHAIRMAN: Do you still belong to the bureau of broadcast measurement?

Mr. TRAINOR: No.

The CHAIRMAN: Did you at one time?

Mr. BUSHNELL: We did, yes.

The CHAIRMAN: Why did you discontinue that?

Mr. BUSHNELL: We felt it was rather costly. We thought that the B.B.M. at that time were not quite what we thought they should be. May I say this, that I think the C.B.C. was largely instrumental in setting up the B.B.M. It certainly paid a very large proportion of the cost. However, when it came to the point where we were not receiving the information that we felt was necessary, obviously, and I think quite properly, we just said, "Please excuse us, gentlemen; we can get the information from other systems." We just called it quits.

Mr. PRATT: I would like to suggest, Mr. Chairman, that both radio and television are very lucky in so far as the nature and behaviour of audiences is concerned, when you compare it to the old live theatre where the nature and behaviour was very pregnant and very present in the flesh. I hope we will be able to devise some system by which we can get a more accurate count of what people are thinking.

Mr. BUSHNELL: We are interested in the quality of audience reaction and listener reaction.

Mr. PRATT: Did you ever use what is known as a "flush system"?

Mr. BUSHNELL: Did you say "flush system"?

Mr. PRATT: Yes.

Mr. BELL (*Carleton*): That is a dangerous system to pursue.

Mr. PRATT: Numbers were counted in the audience by pressure on the local city water supply during the commercials.

The CHAIRMAN: That was merely during the commercials.

Mr. MCGRATH: To add a footnote, they use this in Chicago, where they have sewage problems. Who was the head of the audience research bureau?

Mr. BUSHNELL: Mr. Neil Morrison, who has been seconded to the British West Indies Federation to help them establish a network service in that particular area. He has been loaned by the corporation at the request, I think, of people connected with the Colombo plan, to help them out.

Mr. MCGRATH: Is your audience research bureau situated in Ottawa?

Mr. BUSHNELL: Yes, with branch offices in Toronto and Montreal only.

Mr. MCGRATH: Well, the heads of your branch offices in Montreal and Toronto would be known as audience research supervisors?

Mr. BUSHNELL: Yes.

Mr. MCGRATH: I would like to get back to the cost of this audience research bureau's services to the sponsor. Did I understand correctly a few minutes ago that you made the point that this is charged to the sponsor because you felt your method was a more reliable one?

Mr. BUSHNELL: No, I do not think that was the case.

Mr. TRAINOR: The sponsor has to pay for the same ratings we provide, but he pays the research house.

Mr. MCGRATH: You do not realize anything back?

Mr. TRAINOR: We do not give our information to the sponsor at all.

Mr. MCGRATH: It is for your own administrative use?

Mr. TRAINOR: Yes.

Mr. BUSHNELL: Except administrative charges, and they are included.

Mr. MCGRATH: Do we have a breakdown in connection with the organization of the audience research bureau?

Mr. BUSHNELL: I think it can be provided.

The CHAIRMAN: I do not think we have that available yet.

Mr. BUSHNELL: Not in chart form at least.

The CHAIRMAN: Could we have that provided?

Mr. BUSHNELL: Yes.

Mr. FAIRFIELD: I wanted to ask this question, Mr. Chairman. When they are making these surveys, what method do they use, the diary method or telephone method? You certainly do not use electronics.

Mr. TRAINOR: It depends on the commercial research firm that is doing it. Elliott-Haynes Limited uses a telephone coincidental method. They call up people and ask if they are listening.

International Surveys use a fixed diary panel and they record a week's viewing and listening pattern. A. C. Nielsen uses a fixed diary panel and they have an electronic device attached to each set in the home and in that way they compute the time it is turned on.

Mr. FAIRFIELD: You say you are dissatisfied at times with the statistical research these commercial firms give to you.

Mr. TRAINOR: Often they do not come out alike.

Mr. FAIRFIELD: But in your March report you say that the results were reported to be identical between telephone and diary.

Mr. TRAINOR: Which page?

Mr. FAIRFIELD: It says the American research bureau, which uses the diary technique in the United States recently ran a checking experiment in eight cities and A.R.B. used the telephone coincidental technique to check on the diary results for the same period.

Mr. TRAINOR: What page are you on?

Mr. FAIRFIELD: Page 8 of the March report. The reports were reported to be practically identical.

Mr. TRAINOR: You should read the final sentence which says that ideally, of course, the check should have been carried out by a disinterested survey organization. A.R.B. was trying to prove something, and this is why you place a reservation on it.

Mr. FAIRFIELD: Are you a disinterested organization when you do it with an audience research bureau?

Mr. TRAINOR: No, this is not so.

Mr. FAIRFIELD: I know this is the American research bureau, but you printed that in your bulletin. You say that these results are practically identical; you say you are a disinterested corporation but cannot trust these commercial firms, and yet you do not distribute this pamphlet to sponsors or other people.

Mr. TRAINOR: This is not a report of our results; it is not our statement. This is their statement. We did not have the raw data to work with at all. We are giving out what has been reported to us so that people may weigh it for themselves.

Mr. FAIRFIELD: What then have your findings been?

Mr. TRAINOR: We have not looked at this; we have not done this sort of check.

Mr. FAIRFIELD: You do not carry on statistical surveys?

Mr. TRAINOR: Not as such, no.

Mr. FAIRFIELD: In other words, if you have to trust the commercial firms to a great extent; is that correct?

Mr. TRAINOR: I think if you go to the second last paragraph of the last page you will note this:

No single technique now being used provides all the measurement data that broadcasters, researchers, sponsors, advertising agencies and others would desire. As seen, each has its advantages and disadvantages. Competitive situations tend to create a demand for quick returns, thus placing emphasis on the telephone-coincidental technique. In the U.S.A. this demand for immediate results has led to the development of "instantaneous" rating techniques. Both A. C. Nielsen Co. and American Research Bureau have in operation elaborate electronic devices which provide audience-size data for limited areas delivered the morning after the program being rated.

To eliminate all biases, apparatus would be required which would record on film the number of persons listening or viewing a set and the degree of their attentiveness as shown by their activities, facial expressions and exclamations. This technique would not only be impractical on the grounds of expense but would be repugnant to most people as an unwarranted invasion of the privacy of their homes.

This covers the whole thing. Each one has its advantages but it has counteracting disadvantages. If we want quick returns, we use the Elliott-Haynes method because it is cheaper today than the fixed panel, but if we want more exact data we feel we can get it from the panel method.

Mr. FAIRFIELD: What is the function of the audience research bureau then? If they find out something and this information is given only to the C.B.C., what is its function?

Mr. TRAINOR: It is a service to the corporation.

Mr. FAIRFIELD: Why?

The CHAIRMAN: For unsponsored shows?

Mr. TRAINOR: For both, but it goes to the production people as well; it is not just for head office.

Mr. KUCHEREPA: I would like to pursue this further. The witness says this provides a service. We have heard from the beginning of the hearings that there are programs which are designed not for the majority of listeners or the large audiences, and there were variations in the programs. We certainly find ourselves going into great detail in how to obtain ratings, but when we get them we turn around and take programs which we sell out to advertisers at a charge which is less than the cost to produce them. What is the main purpose of going to all these extremes when we have a commercial house which can produce this information for use? Why should we spend all this money when we have a policy which was laid down at the beginning of the session whereby we are not concerned necessarily in having large audiences as much as we are concerned with carrying out certain fundamental recommendations in connection with the question of giving vast coverage to a vast number of differing individuals and groups.

Mr. BUSHNELL: Let me put it to you this way. We are concerned with the size of any audience for any broadcast, any television or radio broadcast. May I just give you a good illustration? The program Folio has been spoken of on more than one occasion in this committee. At one time it was thought that Folio had a very small audience, comparatively, and probably we should discontinue it, in spite of the fact we felt we were serving a specialized group of listeners—let us put it that way; I hate to refer to a "minority audience", because any audience of half a million is not a minority, in my opinion.

In 1957, on November 7, on Folio we had, persons viewing, 580,000. On December 5 of 1957, we had an audience of 510,000, approximately, in round figures. In 1958, on January 16, we had for the opera *Tosca*, 488,000. On February 6, for a drama called *The Concert*, we had an audience of 779,000. The average for 1957-58 was 589,000. That is a pretty big audience.

What happened this year? We changed the pattern a little bit, and on November 25 we had 1,586,000 viewers. On January 6 we had 1,310,000; on February 3 we had 1,230,000, or an average for 1958-59 so far of 1,293,000.

Mr. BELL (Carleton): What do you mean, you "changed the pattern a little bit"? I am afraid you mystify me on that.

Mr. BUSHNELL: Probably, Mr. Bell, we were not putting on quite such—some people have described them as esoteric programs. We made them just a little more earthy. One we put on was *Honey and Hoppers*; the other was *The Peace and Plenty*, and *Tosca* is a pretty well known opera. Another thing I would like to comment on also. These matters were discussed—as Mr. Jennings mentioned—with the program committee of our television affiliates, and they registered some protest about the hifalutin tone that was being given to Folio and said, "For goodness sake, change it." I remember one gentleman out in Regina said, "Look; if you do not change that, I am going to stop carrying it, because these plough jockeys out here cannot understand it". Those were his words.

The CHAIRMAN: Did you get this information on Folio from any commercial firm, such as Elliott-Haynes?

Mr. BUSHNELL: Definitely.

Mr. KUCHEREPA: Where would you get the extra viewers outside of, perhaps, fringe areas in the United States? Where would they come from? Would they just put on their sets for the first time to see these programs?

Mr. BUSHNELL: Not necessarily. So we could assume, I think—or anyone could assume—that the programs themselves had become more interesting and, instead of shutting the darn thing off, they looked at it.

There is one little illustration. I was looking through some of these ratings the other day—and I hope no one will misunderstand me if I use the city of Sudbury as an illustration—and to my very great surprise, Folio in that particular week had a bigger audience than N.H.L. hockey, boxing, wrestling and half a dozen of the most important United States imported programs.

Mr. PRATT: Do you recall the subject?

Mr. BUSHNELL: No, I do not. I can find out for you, though.

Mr. CHAMBERS: These statistics quoted were gathered for you by the commercial firms; is that correct?

Mr. BUSHNELL: That is right.

Mr. CHAMBERS: You stated, I believe, that the cost of this was about \$79,000 a year?

Mr. BUSHNELL: That is right.

Mr. CHAMBERS: This, it would seem to me, justifies that expenditure; but I have not yet got through my mind the reason for the \$200,000 that is spent for the internal research bureau—what it does. What do you get for that?

Mr. BUSHNELL: Probably it would be better if we actually just sat down and gave you a very short statement on it—what one might call almost a job spec, and show you the chart.

Mr. CHAMBERS: I have not had time to read it yet.

Mr. OUEMET: I think you get a better idea in this statement here, Organization and Functions of Audience Research.

The CHAIRMAN: I think we did agree that you are going to supply an organizational chart of your group.

Mr. FAIRFIELD: As I see it, with an analysis in the research department, its major function is to analyze audience size and ratings supplied by audience measurement firms. This seems to be a rather big department, to analyze whether a program is very good or very bad, does it not?

Mr. BUSHNELL: It may seem that way; but actually statistics are difficult things with which to deal, and it requires specialists to do that. And it has all got to be typed, probably.

Mr. TRAINOR: These reports we get from the commercial research firms, we do not get a sufficient number of copies to disseminate to everybody in the corporation that requires them, and most of them are drawn up in such a way that most of us, who do not understand statistics, could not understand them anyway. They have to be analyzed and interpreted. You say, "a big department"—there are four or five people in it.

Mr. MCGRATH: I understand that at the next meeting there will be a chart presented of the audience research bureau and there will be explained at that time the function and organization of this particular department?

Mr. BUSHNELL: Yes.

Mr. MCGRATH: There is one question, that may or may not be related; but I should like to clear this up. What is the relationship of the audience research bureau with information surveys?

Mr. BUSHNELL: There is no direct relationship, other than this, that if the department of information wishes to have some information on the work that it is doing—I will give you an illustration; probably a simple one: last year the information department turned out a very, very small—a miniature—annual report, and we wanted to find out how that was received.

We went to audience research. We got our people busy on that, and we found out it had been extremely well received. So this year we are modifying in form our annual statement and using more of the small brochures that go to, I am told, 200,000 people.

Mr. MCGRATH: May we perhaps carry that question to a logical conclusion by having an explanation of just exactly what are the functions of the information services?

Mr. BUSHNELL: Yes; I think it can be summed up rather briefly. The function of information services is to provide information to various publications, to publicize the work of the corporation and to publicize programs and artists.

Mr. MCGRATH: Promote programs?

Mr. BUSHNELL: Yes, very definitely; that is their big job. You might be, as I say, indeed pleasantly surprised to find how much space we have actually received for our artists. We are promoting Canadian artists all the time. We send out photographs. Furthermore, we promote them on our own facilities and that work is all done by the department of information.

Mr. McCLEAVE: I have a question here that has been suggested by a member outside the committee. Has any thought ever been given by the Canadian Broadcasting Corporation to using the facilities of the dominion bureau of statistics on audience research?

Mr. BUSHNELL: We call on D.B.S. very frequently for information.

Mr. McCLEAVE: For what type of information do you call upon them?

Mr. BUSHNELL: Probably Mr. Trainor can give us that.

Mr. TRAINOR: We call on D.B.S. for a lot of economic data, for all data we want to use and analyse. For instance, I think in terms of advertising customers, T.V. home use, sales of sets, growth of T.V. home use and this sort of things.

Mr. McCLEAVE: You do not call upon them for anything in the line of program surveys?

Mr. TRAINOR: Actually take the surveys for us?

Mr. McCLEAVE: Yes; that is right.

Mr. TRAINOR: No.

Mr. McCLEAVE: A particular program, for example?

Mr. TRAINOR: No; I do not think they are organized for it and I doubt very much if they would.

The CHAIRMAN: The point is you do not ask them?

Mr. TRAINOR: No.

Mr. McCLEAVE: That is exactly the answer I would expect. I think I would like some elaboration on it.

The CHAIRMAN: All right; would you continue on that point as to the position of the bureau?

Mr. McCLEAVE: And as to why they would not expect D.B.S. to do that?

The CHAIRMAN: Have you any thoughts on that Mr. Bushnell, or Mr. Trainor.

Mr. BUSHNELL: Well, we will pursue the matter further. Perhaps we have been a little remiss in not doing it before.

The CHAIRMAN: Would it be agreeable, Mr. McCleave—

Mr. BUSHNELL: I doubt if they have the facilities to do that.

The CHAIRMAN: Would it be agreeable if some time before the next meeting the C.B.C. got in touch with the bureau and see if there is any way they could be assisted?

Mr. FAIRFIELD: I wonder, Mr. Chairman, if in view of the fact that we have just got this organization and function of audience research pamphlet, whether we could not adjourn this discussion and come back to it later?

The CHAIRMAN: I think that is a very sensible suggestion, Dr. Fairfield. Mr. Tremblay you had a question. You did not quite finish your question this morning.

Mr. DORION (*Interpretation*): Mr. Chairman, I would like to know to what extent this research bureau extends its activities. Does it concern only the commercial or sponsored programs or does it include all programs.

Mr. BUSHNELL: It includes all programs sir.

Mr. DORION (*Interpretation*): Mr. Chairman, I saw in the list of your sponsors, names which constantly crop up and I do not need to quote these names because we have them before us. I would like to know if the choice of these commentators is the result of the inquiries made by the research bureau?

Mr. OUIMET: Mr. Chairman, I believe he said sponsors first and then commentators.

Mr. DORION (*Interpretation*): Well, in the original interpretation and in the second, I said commentators.

Mr. OUIMET: Could he have the answer?

The INTERPRETER: Would you like me to read the whole thing?

Mr. BUSHNELL: Yes.

The INTERPRETER:

I would like to know to what extent this research bureau extends its activities. Does it concern only commercial or sponsored programs or does it include all programs?

And the second question, following my first interpretation:

I saw in the list of your sponsors names which constantly keep cropping up. I do not need to quote them because we have them before us. I would like to know if the choice of these commentators is the result of inquiries made by that bureau.

Mr. BUSHNELL: Not necessarily so.

Mr. DORION (*Interpretation*): Well, Mr. Chairman, to follow up your answer, Mr. Bushnell, I would like to know who has the responsibility to choose these commentators who are always the same people with the same ideas and with only a slight variation in the presentation?

Mr. BUSHNELL: Well, Mr. Dorion, I am afraid I cannot quite accept the second part of that. I do not think they are always the same people with the same ideas.

Let me answer the first part of it for you if I can and say that the selection of speakers is made by our various officials, from the program director down, from the director of programs down to the program director in any area, down to the talks and public affairs department.

A great many people are consulted about the commentators that are used.

Mr. DORION (*Interpretation*): Well, Mr. Chairman, I am sorry Mr. Bushnell, but in looking through the list that you gave me, which merely is for January 1958 I see the people are all of the same school of thought, roughly

speaking, with only rare exceptions. Therefore, there is someone responsible for the choice. There is a very marked tendency which denotes that all opinions are not able to be voiced. Who is responsible? I want to know the names of those people responsible at any rate for the French language section and I want to know the function or tasks of those people also at least for the French network section anyway.

Mr. BUSHNELL: Would you be satisfied if I—

Mr. FAIRFIELD: I think on a point of order, did we not decide that we were not going to bring in names of personalities, because after all the primary responsibility rests with Mr. Bushnell?

The CHAIRMAN: Are you speaking on a point of order, Mr. Tremblay?

Mr. TREMBLAY: Yes.

(*Interpretation*): Well, Mr. Chairman, I cannot at all agree that we must necessarily ignore the names of certain personalities involved. The C.B.C. is not a firm or organization, which merely administers the material aspects; it is also of a moral and intellectual character. So the chairman or vice-chairman or president or vice-president cannot accept all the responsibility in regard to the intellectual and moral aspects; so we must have the names of the people who absorb a very big part of public opinion as far as the C.B.C. is concerned.

The CHAIRMAN: Mr. Dorion, are you on a point of order?

Mr. DORION (*Interpretation*): Mr. Chairman, yes, this is on a point of order. To follow up what my very fine friend from Roberval said, we are in the presence of obvious discrimination. There is no need to analyze in detail the list which was shown to us to see we are faced with an organization which has continually and permanently resorted to the same school of thought. It is becoming a scandal, to say that the senior officials of the C.B.C. are to be held totally and wholly responsible. There are names of what we might say are "back room boys", if you like, who have authority, who are responsible, even though they are back room boys, to use my expression, and we should know who they are, in order to make the necessary recommendations.

The CHAIRMAN: On the point of order, gentlemen, I revert, once again, to our original thinking, that of the entire committee, that we would not get down to the personnel in the lower echelon of the C.B.C., to ask for names, personalities, personal likes and dislikes; but I would suggest this to Mr. Tremblay and Mr. Dorion, that when the report to parliament is made of this committee, if they wish to make recommendations to parliament—who, in turn, will make recommendations to the C.B.C.—I do not see any reason why such a recommendation could not be made. However, I still feel that the committee will go along with me on the original decision, that we will not get down to individuals and personalities.

Mr. CHAMBERS: On this point, Mr. Chairman, we have established that the division of research is responsible for research. There are some areas in the C.B.C. where we have divided administrative functions. I am certainly not interested in names, but it seems to me we have a right to ask what division, what office is responsible—

The CHAIRMAN: Yes, we have that right.

Mr. CHAMBERS: —what office is responsible, in this case, for the choice of commentators. I do not think it is quite enough to say it is the entire C.B.C. There must be someone from day to day who does the planning in the talks department in French. I do not want to know his name, but if we can be given what position in the C.B.C. has this responsibility, we would be satisfied.

The CHAIRMAN: Mr. Bushnell, is someone responsible for that particular aspect?

Mr. BUSHNELL: Someone would be mainly responsible; but I think you will agree with me that it would be very wrong indeed to give anyone the full responsibility, to allow him to run loose, making whatever choices he likes, without having to report to somebody else. Therefore, I do not think you can suggest that there are one, two or three persons in this particular department, who are the only responsible persons.

The CHAIRMAN: Mr. McCleave, and then Mr. McGrath.

Mr. McCLEAVE: We have heard several times now, since our meeting started from our cohorts from the province of Quebec that they suspect there is a certain school of thought which is having its viewpoint presented on commentaries in the province of Quebec, and there are others that are not. I do not know what these schools of thought are in Quebec—whether economic or political, or heaven knows what. I think we should not cavalierly brush aside the complaints of these gentlemen, or leave it as a statement that it is one officer or one office who is choosing these commentaries.

I think, for their part, they should present to us a breakdown of the programs which displease them, whether they think it is 50 per cent or 60 per cent of opinion, one way or the other; and then let Mr. Bushnell deal with it concretely. But I think we should go through it further than we are doing tonight.

Mr. MCGRATH: Mr. Chairman, I have what may be an answer to it. Surely, as we go along in our examination of the various departments of the C.B.C., it will become clearer, as we proceed, who is responsible for what particular function of the operation. In other words, I think we are jumping ahead of the gun. For example, we were on audience research. To my mind, the discussion now is not exactly related.

Perhaps if we could dispense with audience research, as was suggested, until next week when the organizational chart is presented, this department could be more clearly defined and explained to us. Now we might proceed with another department of the C.B.C. which is related in a way, and that is, the department of public relations. As we go to the various other departments, these queries and questions will make themselves known.

Mr. BUSHNELL: If my memory serves me correctly I think we had asked Mr. Marcel Carter to give you, in response to Mr. Chambers' request—

Mr. CHAMBERS: It was my request I believe.

Mr. BUSHNELL: Yes, your request and Mr. Fortin's request; and I think he had only got nicely started when something intervened.

I think, if you permit, that this explanation of the organization and how it operates should be taken up again because it might remove some of the areas of doubt which seem to exist at the moment.

The CHAIRMAN: Could you run down particularly the French network on the organizational chart? I think that would get us closer to what we want. Please proceed, Mr. Fortin.

Mr. FORTIN (*Interpretation*): Mr. Chairman, to refer a little to what Mr. McCleave said, what we want to know is of course who chooses the sponsors appearing on television.

The CHAIRMAN: Just a minute, please. Quiet, gentlemen. We cannot hear up here.

Mr. FORTIN (*Interpretation*): We want to know who chooses the commentators appearing on television whose names appear on the list we have before us. I think the committee is entitled to hear this individual. So I ask

Mr. Bushnell or Mr. Carter to agree that the person involved who chooses those commentators or sponsors to make it known to him that he should come and testify before us.

Mr. BUSHNELL: Which program do you have in mind?

Mr. FORTIN (*Interpretation*): The one responsible for selecting the commentators whose names appear on this list that we have in hand. I mean the French network commentators, on the French network 1958, from Monday through Friday.

The CHAIRMAN: You wish to have what?

Mr. FORTIN (*Interpretation*): I wish to have appear before the committee as a witness the man who was responsible for selecting the commentators whose names appear on the list.

The CHAIRMAN: If I understand it, Mr. Bushnell just replied that there is no one man. Would you go along with that, Mr. Bushnell?

Mr. BUSHNELL: Well, I am not dodging the issue at all, or I am trying not to. It is a plain matter of record, a matter of fact, that no one individual either in the English language or the French language selects these commentators.

Let me give you an illustration. Right here in Ottawa, for example, we have a representative of the talks and public affairs department. Toronto wishes to have a member of the parliamentary press gallery speak on some subject. They refer the matter to their representative in Ottawa who sends back to Toronto a suggested name. The suggestion of the man on the spot would obviously carry weight. So there again you have that sort of divided responsibility.

Mr. FORTIN (*Interpretation*): Yes, that may be. But I believe this is a little different, though. These programs have been prepared long in advance. I imagine that the producer has been asked to prepare these programs, and he has also been given authority to invite commentators to appear on the program.

Mr. OULMET: These programs are not prepared long in advance. This particular series referred to was one not carried on television but actually carried on radio. It follows the news at 10.10 every night. If you noted it by subjects you would see that we are trying in this series as much as possible to get as close as possible to factual news, the factual analysis of the news.

Mr. TREMBLAY (*Interpretation*): Well, Mr. Chairman, I am quite in agreement with my colleague, Mr. Fortin. I want to know who chooses these individuals because, as I said, we feel we are involved in a kind of ghost race. It is passing the buck. And then, coming back to Mr. Bushnell, he makes excuses for so and so. What we want to know is who is the real responsible person, or persons, in the C.B.C. upon whom the responsibility must truly be held to lie.

Take the example of the commentary on radio services. Who chooses these people? Just now they spoke of a research bureau. Who is it, for example, who decides over the years who will maintain a continuity of a certain type in French which is not in the public interest or in the public taste as, for instance, in the case of the Plouffe family programs?

Mr. BUSHNELL: About five minutes ago I suggested we allow Mr. Carter to continue with his statement which he merely began the other day. With the chart I think we can clear up a lot of these questions in your mind. Is it agreeable to allow Mr. Carter to go along and then if you wish you may question him on any point?

Mr. FORTIN: I believe it was said this morning by Mr. Bushnell that he had obtained an answer to the question I put on May 28 concerning the breakdown of the cost of a certain production. You told me this morning you had the figures available.

Mr. BUSHNELL: All right.

The CHAIRMAN: After these are distributed, then Mr. Carter will continue with his statement.

Mr. McCLEAVE: Mr. Chairman, have you seen this copy?

The CHAIRMAN: I have seen it right now. It is being distributed.

Mr. McCLEAVE: Some day they will put in a script of a new program and it will become part of the record before we know it.

The CHAIRMAN: The cost is \$84,453. That will identify it.

Mr. MARCEL CARTER (*Controller of Management Planning & Development, Canadian Broadcasting Corporation*): Mr. Chairman, the other afternoon I had started to speak on the method of establishing staff requirements for television operation. I had indicated that the number of staff required for a live television production is directly related to the program planning for each and every show, and that the total staff required for a show depended on the results of the load of production at that location, in terms of live production naturally. In addition to the production staff required, there are auxiliary services which are needed at each location, such as accounting, personnel, publicity, and so on.

Here I would like to explain how we go about determining the staff required on a live television production and how that is built up. The planning of a program starts with an idea. Once the idea is approved, a scenario, and eventually a script, is produced. Mr. Fortin asked a question in relation to that. I think that was the point we were at when the bell rang the other day. Mr. Fortin asked where the program would originate. I indicated it could originate from one of the specialized departments such as talks, children's broadcasts, farm broadcasts and so forth. Also, it may come from a text that is submitted from outside the corporation. We do not accept ideas solely from within the corporation.

Mr. FORTIN: My question was if the idea comes from outside, to whom is it first conveyed? That is my question.

Mr. CARTER: It all depends on its nature, sir. If an idea comes within a specialized area of broadcasting, it will probably be directed to the specialized department concerned with that particular area. I also indicated to you that if it comes from an advertising agency or a sponsor it is quite likely it would come in through our commercial department. Does that answer your question?

Mr. FORTIN: Yes.

Mr. TREMBLAY (*Interpretation*): I have a question for Mr. Carter. You spoke of a script bureau. Is there a body which is supposed to discuss and approve scripts?

Mr. CARTER: There is a script bureau which in French we call service des textes. The responsibility of this department is to deal with authors and also to secure the help and assistance of play readers who are hired from outside. These play readers are selected from among established authors and script writers. They will review a script for the corporation and give an opinion. It is the responsibility of the script bureau to assess that report and possibly to review the text themselves.

One of their important functions is to try to develop authors. We have a shortage of texts, both in English and in French. As you must have noticed, very often we adapt plays and stories that are already existing. We do not have an overwhelming quantity of material which is prepared especially for television. The script bureau has that function; also, it will negotiate terms with authors once we have decided to accept the play.

Mr. TREMBLAY: How many members are on the script bureau?

Mr. CARTER: Offhand, I could not give you the number of employees, but I can get that information for you.

The CHAIRMAN: Would you find that out for Mr. Tremblay?

Mr. CARTER: Yes, I will.

The CHAIRMAN: Gentlemen, inasmuch as our translator had to report back to the house, may I suggest that this meeting be adjourned until 9.30 on Thursday morning. We will continue with the same witness as we are now questioning. Is that agreeable?

Agreed.



THE FOLLOWING IS THE TEXT OF THAT PART OF THE  
COMMITTEE'S PROCEEDINGS CONDUCTED IN  
THE FRENCH LANGUAGE

ON TROUVERA CI-DESSOUS LE TEXTE DE LA PARTIE DES DÉLIBÉRATIONS  
DU COMITÉ QUI S'EST DÉROULÉE EN FRANÇAIS

Comité de la radiodiffusion, 2 juin 1959.

(Page 234)

M. TREMBLAY: Monsieur le président, je serai très bref, je n'ai pas l'intention de faire de déclarations comme on me l'a reproché l'autre jour.

Je voudrais savoir quelles sont les raisons qui motivent la décision du comité consultatif.

\* \* \* \*

M. TREMBLAY: Oui, monsieur le président, j'accepte la remarque générale qu'il n'est pas question d'entrer dans le détail et de faire la cause de certaines personnes, etc., mais je pense que, dans les circonstances, la question est assez grave pour que nous obtenions le rapport détaillé que j'ai demandé l'autre jour. Il ne s'agit pas de désigner des coupables, mais, comme l'administration de Radio-Canada nous paraît être une chose extrêmement compliquée, pour ma part en tout cas, je ne me contente pas de l'aveu que nous a fait l'autre jour M. Bushnell que c'est lui, le président ou le vice-président, qui en sont responsables et qui en prennent toute la responsabilité. Cela, c'est une excuse assez facile et qui ne rend pas compte des faits.

\* \* \* \*

(Page 235)

M. FORTIN: Monsieur le président, tout d'abord je dois vous dire immédiatement que je partage l'avis de mon collègue M. Tremblay à ce sujet-là. Maintenant, je crois, en suivant la suggestion que vous faites, que nous faisons fausse route. Ce n'est pas le député de Roberval (M. Tremblay), ou le député de Montmagny-L'Islet ou un autre qui veut avoir l'information, c'est le public. Nous sommes ici tout simplement son interprète, et c'est pourquoi, si Radio-Canada est disposé à donner l'information à un individu, elle doit la donner à celui qui paye, soit le peuple en général.

\* \* \* \*

M. FORTIN: Quand le rapport sera-t-il soumis? Il y a déjà au delà d'un mois qu'il a été demandé?

\* \* \* \*

M. TREMBLAY: Monsieur le président, je consens bien à différer jusqu'à la présentation de ce rapport les questions que j'avais l'intention de poser à ce sujet-là, mais, avant de passer à autre chose, je voudrais faire une proposition. Je voudrais demander à monsieur le président, et à M. Bushnell, s'il est possible que M. Alphonse Ouimet soit appelé devant le comité?

\* \* \* \*

M. FORTIN: Monsieur le président, à la suite de la demande qui a été faite par M. Tremblay à la dernière séance, j'ai ajouté une question, et je demandais à Radio-Canada de nous donner un détail du coût de production de l'émission "La plus belle de céans". Je me demande si le vice-président est prêt à nous donner ce détail ce matin?

\* \* \* \*

M. BRASSARD (*Lapointe*): Monsieur le président, je veux, au tout début, dire que je regrette énormément, moi aussi, que M. Alphonse Ouimet ne puisse venir répondre à nos questions, soit aujourd'hui, soit dans un avenir plus ou moins rapproché, parce que je suis certain que si M. Ouimet,—même si M. Bushnell d'ailleurs, l'a remplacé avec beaucoup de compétence, si M. Ouimet était venu ici devant nous, sa longue expérience dans le domaine de la radio et de la télévision aurait servi à dissiper plusieurs fausses impressions que plusieurs députés ont en marge de Radio-Canada.

\* \* \* \*

(Page 236)

M. TREMBLAY: M. Brassard pourrait-il s'expliquer davantage?

Mr. BRASSARD (*Lapointe*): Excusez-moi, j'ai la parole. Comme deuxième point, je crois que tous les députés ainsi que le public, sont d'avis que Radio-Canada peut commettre des fautes, qu'elle a été faible et qu'elle en a commis, mais il faut se souvenir...

Est-ce que je pourrais continuer?

\* \* \* \*

M. DORION: Monsieur le président, je ne sais pas si je suis tout à fait dans l'ordre, mais avant que nous commençons le témoignage de M. Bushnell, je voudrais présenter certains points sur lesquels, quant à moi, je voudrais obtenir des renseignements.

Premièrement, je suis informé que des textes auraient été préparés à plusieurs reprises depuis un certain nombre d'années, textes pour lesquels Radio-Canada aurait payé, et qui n'auraient jamais été utilisés. Alors, je voudrais que l'on me fournisse des précisions sur ce qui s'est passé dans ce domaine,—si mes renseignements sont exacts,—depuis cinq an, soit le nom des auteurs de ces textes, les montants qu'ils ont reçus, et pourquoi ces textes-là n'ont jamais été utilisés, ce qui serait, à mon avis, une dépense absolument inutile.

\* \* \* \*

M. DORION: Le deuxième point, monsieur le président, sur lequel je voudrais avoir des informations, aurait trait aux relations de France-Film avec Radio-Canada.

Je voudrais savoir s'il n'est pas arrivé, disons depuis cinq ans, et je voudrais avoir des précisions à ce sujet-là, que des artistes étrangers aient apparu à des programmes de télévision à Montréal, payés par Radio-Canada, artistes qui auraient été invités ensuite, ou avant plutôt, par France-Film, et que France-Film aurait ensuite utilisés pour ses propres services à des conditions beaucoup plus avantageuses? Et, sur ce point, je suggérerais que M. Jean-Paul Lepailleur soit invité à comparaître et à témoigner.

\* \* \* \*

(Page 247)

M. TREMBLAY: Monsieur le président, je voudrais poser une question supplémentaire à M. Dunsmore au sujet des agences de publicité.

J'ai demandé, le 26 mai 1959, la question suivante:

Est-ce que les agences de publicité, ou les commanditaires, ont fait des représentations à Radio-Canada dans le but de demander que les chiffres que le comité demande ne soient pas révélés?

Et mon collègue, M. Dorion, a demandé la question suivante:

Est-ce qu'il y a dans les contrats conclus entre la Société Radio-Canada et les commanditaires, une clause à l'effet que les chiffres que le comité demande ne soient pas divulgués?

J'ai posé cette question le 26 mai 1959.

M. Dunsmore a déposé tout à l'heure certaines lettres en date du 27 mai 1959. Est-ce que,— et je répète ma question,— il y a eu, soit en 1957 ou en 1958, ou avant le 26 mai 1959, des représentations faites par les commanditaires à l'effet que Radio-Canada ne divulgue pas les chiffres que réclame actuellement le comité?

\* \* \* \*

(Page 248)

M. FORTIN: Une question supplémentaire.

A supplementary question. Mr. Chairman.

Est-ce que, dans le même ordre d'idées que mentionnait...

M. FORTIN: Est-ce que, dans le même ordre d'idées mentionné par M. Tremblay, Radio-Canada de son côté aurait promis, garanti ou laissé entendre, d'une façon quelconque, que jamais ces chiffres seraient dévoilés?

\* \* \* \*

M. TREMBLAY: Monsieur Bushnell, pourriez-vous nous dire si c'est là simplement le fait d'une entente verbale ou si réellement il y a des textes sur lesquels vous pouvez vous appuyer pour déclarer que c'est réellement le fait d'une entente définie entre la Société Radio-Canada et les commanditaires?

\* \* \* \*

M. DORION: J'ai demandé à M. Bushnell, l'autre jour, de produire une formule des contrats qui sont passés avec les agences de publicité.

M. FLYNN: Il l'a.

M. DORION: On me dit qu'elle a été produite, mais je n'en possède pas une copie.

\* \* \* \*

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M. TREMBLAY: Monsieur le président, pour suivre l'exemple de M. Pickersgill, je voudrais faire allusion au domaine de l'intérêt public.

Est-ce qu'il est dans l'intérêt public de demander aux contribuables de participer à des programmes qui servent à la publicité de certaines compagnies...

M. TREMBLAY: Et cela sans fournir aux contribuables des explications sur la part qu'ils prennent dans cette publicité?

\* \* \* \*

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M. FORTIN: Où trouverons-nous le prix qui a été payé ou qui sera payé à l'auteur d'une pièce qui est jouée?

\* \* \* \*

M. FORTIN: A condition que l'auteur ait du talent.

\* \* \* \*

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M. DORION: Monsieur le président, je voudrais savoir jusqu'à quel point ce bureau de recherches étend son activité? Est-ce que cela concerne simplement les programmes d'ordre commercial ou les programmes où il y a des commanditaires, ou cela comprend-il tous les programmes?

\* \* \* \*

M. DORION: Alors, j'ai vu dans la liste de vos commentateurs des noms qui reviennent constamment. Je n'ai pas besoin de les citer, ils sont là. Je voudrais savoir si ces noms, si le choix de ces commentateurs est le résultat des enquêtes qui ont été faites par ce bureau.

\* \* \* \*

M. DORION: Alors, pour faire suite à votre réponse, monsieur Bushnell, je voudrais savoir qui a la responsabilité du choix de ces commentateurs qui sont toujours les mêmes figures, avec les mêmes idées, et à peu près avec des versions qui varient peu à peu du jour au lendemain?

\* \* \* \*

M. DORION: Je regrette, monsieur Bushnell, mais en jetant un coup d'œil sur la liste que vous nous avez remise, et qui est simplement pour le mois de janvier 1958, on aperçoit les noms de personnes qui appartiennent toutes, ou à peu près, à la même école de pensée, sauf quelques rares exceptions. Alors, il y a sûrement quelqu'un qui est responsable de ce choix. Il y a là une tendance très marquée qui dénote, n'est-ce pas, que l'on ne donne pas à toutes les opinions la chance de se faire entendre. Alors, je voudrais connaître les noms des personnes qui sont responsables de cela, du moins pour le réseau français.

\* \* \* \*

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M. TREMBLAY: Monsieur le président, je ne suis pas tout à fait d'accord sur le fait que l'on doive nécessairement faire le nom de certaines personnalités. La société Radio-Canada n'est pas une société qui administre simplement des biens matériels; c'est une société qui a une responsabilité dans l'ordre moral et intellectuel. Par conséquent, il n'est pas possible au président ou au vice-président d'assumer toute la responsabilité dans l'ordre moral et intellectuel. Conséquemment, il est nécessaire d'avoir les noms de certaines personnalités qui assument une portion, une partie très importante de l'opinion publique à la société Radio-Canada.

\* \* \* \*

M. DORION: Oui, monsieur le président.

Pour ajouter à ce que vient de dire mon excellent ami de Roberval, nous sommes en présence d'une discrimination évidente. Il n'est pas besoin d'analyser longuement la liste qui nous a été produite pour conclure que nous sommes en présence d'une organisation qui, à jet continu, de façon permanente, n'a recours pour exprimer des idées, pour faire l'éducation du public, qu'à une seule et unique école de pensée, et c'est devenu scandaleux. En conséquence, je ne tiens pas responsables M. Bushnell ou les autres, mais je crois que, dans un cas comme celui-ci, il serait souverainement injuste de tenir la haute direc-

tion de Radio-Canada *in toto* responsable de cela. Il y a des noms derrière; il y a certaines personnes qui exercent une parcelle d'autorité, qui sont responsables, et ces gens-là, on doit les connaître pour faire ensuite les recommandations qui s'imposent.

\* \* \* \*

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M. FORTIN: Pour revenir un peu sur ce que M. McCleave disait, ce que nous voulons savoir, évidemment, c'est quel est l'individu qui a choisi les commentateurs qui ont paru à la télévision et dont les noms apparaissent sur la liste que nous avons actuellement en main? Je crois que le comité aurait maintenant le droit d'entendre cet individu. Conséquemment, je demande à M. Bushnell ou à M. Carter de s'entendre avec la personne qui a choisi ces commentateurs-là et de lui faire savoir que le comité désire l'entendre comme témoin dans les jours qui suivront.

\* \* \* \*

(Page 275)

M. FORTIN: Les commentateurs du réseau français 1958, du lundi au vendredi.

\* \* \* \*

M. OUIMET: Serrer l'actualité d'aussi près que possible.

\* \* \* \*

M. TREMBLAY: Monsieur le président, je suis tout à fait d'accord avec mon collègue, M. Fortin. Je serais bien intéressé à savoir qui choisit ces gens-là, parce que, comme je l'ai fait remarquer au début de la réunion du comité, on a l'impression d'assister à une course au fantôme. Chacun se passe la responsabilité, et finalement, on est obligé de revenir à M. Bushnell qui, lui, en est quitte ou en sera quitte pour faire des excuses au nom de celui-ci ou celui-là; mais où est la responsabilité à Radio-Canada? Qui, en pratique, assume la responsabilité? Je prends l'exemple des commentaires qui sont faits en français à la radio. Qui, en pratique, choisit ces gens-là? On a parlé tout à l'heure d'agences de recherches. Qui décide, par exemple, que pendant des années on va maintenir une continuité qui n'est pas nécessairement dans le goût du public; le cas des Plouffe, par exemple?

\* \* \* \*

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M. FORTIN: A qui est-elle transmise d'abord?

M. CARTER: Désirez-vous que je vous réponde en français?

\* \* \* \*

M. TREMBLAY: Monsieur le président, on a parlé de *script*, tout à l'heure. Y a-t-il un comité qui constitue une agence, enfin un organisme qui est censé discuter, acheter, approuver des textes?

M. CARTER: Nous avons un service des textes, monsieur le président.

## APPENDIX "A"

*Organization and Functions of Audience Research*

When the Audience Research Division was first conceived, Management issued the following statement of objectives.

The Bureau of Audience Research will be responsible for conducting scientific research about the size, composition and characteristics of listening and viewing audiences, both English and French, across Canada and for investigating the reaction and preferences of the Canadian public about radio and television programs. It will also be responsible for special opinion and market surveys about broadcasting in Canada.

The Bureau will act in an advisory and service capacity to Management, the Program Division and other related Divisions such as Commercial, Press and Information, Station Relations and Broadcast Regulations. . . .

In attempting to achieve this objective, Audience Research works with and provides services to all Divisions of the Corporation. The kinds of requests that have been received were of a much wider and more varied nature than was originally anticipated. Once the Division was in operation, officials tended more and more to turn to it for assistance in solving their problems—problems of audiences or otherwise. At present there seems to be a widespread awareness of the need for objective data in planning, operating and evaluating the work in practically all phases of the Corporation's activities. In fact, these diversified requests to the Division suggest that possibly the name should be changed from Audience Research to Research and Statistics or some comparable broader designation. While this multiplicity of demands has put a heavy load on the staff, it served to bring the Division into close contact with all facets of broadcasting. For this reason, and because of the nature of research work, the organization of the Division has been kept relatively flexible. At the moment, the Division is operating in three locations—Ottawa, Montreal and Toronto.

*Ottawa*

The Ottawa location is head office of the Division's interests and embraces the Director's office, Statistics Department, Analysis and Reports Department and Research Projects Department.

(a) *Director's Office*—The Director's office is responsible for research policy and planning, overall supervision and co-ordination of the work of the specialized Departments in Ottawa as well as the regional offices in Toronto and Montreal. The Director takes the ultimate responsibility for all research activities and in turn reports to Management through the Controller of Broadcasting. As a member of the Management Committee, he is in touch with all current developments and problem areas and is in a position to direct activities in such a way as to meet the most important needs of Management, the various Divisions and Regions.

(b) *Statistics Department*—This Department is responsible for providing a number of statistical services including current and projected figures on sales and distribution of sets, coverage statistics concerning the number of Canadian radio and TV households within station and network reception areas, and also for tracing the growth of Canadian radio and TV. In this area, the Statistics Department works closely with the Commercial and Engineering Divisions and the Operations group as well as the Treasurer's Division. It also maintains close working liaison with the Dominion Bureau of Statistics and other sources of current statistical information.

Another important function of this Department is to design and select samples for special research projects. One of the continuing responsibilities of the Chief Statistician, who is also Supervisor of the Department, is to evaluate the quality of statistical material purchased from commercial research organizations and to suggest ways and means by which the standards of such statistical market research data may be improved.

From time to time, this Department is called upon to do intensive research into various methods of setting rates and to assist and advise the Assistant Controller of Broadcasting (Commercial) in setting up rate structures for all networks. It is also called upon to provide periodic forecasts of all total advertising expenditures and television expenditures.

(c) *Analysis and Reports Department*—The major function of this Department is to analyze audience size or rating information supplied by commercial audience measurement firms. Ratings when properly analyzed and used within their limitations, can be helpful in discovering patterns of listening and viewing and can be particularly useful to Programming Officials, Commercial Representatives, Station Managers, Information Services staff, as well as Management. As well as preparing special studies in trend analyses, this Department handles a wide variety of requests for information either verbally or in memo form.

In addition, Analysis and Reports has been assigned the function of editing, processing and distributing Audience Research bulletins and reports. The monthly Audience Research Bulletin, containing a variety of current research information, is widely distributed throughout the Corporation.

Analysis and Reports has also responsibility for publishing semi-annually a program statistical analysis report. This contains analysis of the different CBC program balances on radio and TV networks and on TV stations on the basis of program content.

(d) *Research Projects Department*—This Department is responsible for the planning and execution of special studies of various kinds in an attempt to learn more about the impact and effects of radio and television broadcasting and the nature and behaviour of audiences of different kinds. Audience opinion and reaction information is collected, interpreted and related to the particular characteristics of the audiences.

Research Projects is responsible for definition of the problem, design of the study, analysis and interpretation of the data gathered and presentation of the results. In many cases, the field work is carried out by commercial research agencies in accordance with Audience Research specifications. On a number of occasions, however, the Research Projects staff have conducted or directed their own field work activity.

(e) *Research Reference Library*—In addition to the Director's office and the three main departments, head office also contains a research reference library. This library serves all sections in the Audience Research Division and acts as a reference library for other CBC offices and Divisions located in Ottawa. This includes the ordering of all books and periodicals. The primary aim of the library has been to acquire as complete a collection as possible of important books and research projects dealing with mass media and related social science areas. Already this library contains as much information on research methods and findings in the communication research field as any in the country.

*Montreal:*

The Montreal office has been operating for the past year, and now services most of the needs of the French networks. It assists program planners and producers to define their problems, and designs and conducts studies to meet their specific needs. The Supervisor maintains close liaison with senior CBC officials and advises Regional Management on all matters concerning research.

*Toronto:*

The Toronto office is just now being staffed to the point where, in a few months, it will be able to service the English network in much the same way that the Montreal office now serves the French networks. In due course, it is hoped that this office will also be able to embark on an efficient job of program testing and evaluation. In addition, as the bulk of market research agencies, advertising agencies, and advertisers are located in Toronto, this office will be expected to keep in touch with various officials in these fields.

## APPENDIX "B"

## CANADIAN BROADCASTING CORPORATION

## TELEVISION PROGRAM COST REPORT

Title: "La plus belle de ceans"  
 Telecast time: 10-11:48  
 Live: Network: Sustaining: 1 Episode

Program Number: 8303-2  
 Telecast date: 3/5/59  
 Number of Performers: 79

	Actual Production Cost
Talent.....	\$ 27,109
Program Production.....	6,602
Film Production.....	4
Design—Direct and Indirect.....	18,023
Staging—Direct and Indirect.....	10,807
Technical.....	6,679
 Total Production Cost.....	 \$ 69,224
<i>Add: Overhead application to recover administrative expense:</i>	
(a) Regional Production Center.....	\$ 10,384
	<hr/> \$ 79,608
(b) Management Supervision.....	4,845
	<hr/> \$ 84,453

## SPECIAL COMMITTEE

## APPENDIX "C"

## CANADIAN BROADCASTING CORPORATION TELEVISION SERVICE

## PRODUCTION COSTS AND ASSOCIATED INCOME

*French Network*

Program	Production Costs	Administrative Overhead	Total Costs	Receipts		
				Program Contribution	Station* Time	Total
A	4,932	345	5,277	3,600	819	4,419
B	16,298	1,141	17,349	10,200	1,492	11,692
C	7,605	532	8,137	4,500	756	5,256
D	3,803	266	4,069	2,050	1,202	3,252
E	2,134	149	2,283	1,700	699	2,399
F	7,940	556	8,496	3,900	939	4,839
G	4,811	339	5,150	4,100	789	4,889
H	7,208	505	7,713	3,900	996	4,896
I	8,951	627	9,578	5,025	736	5,761
J	1,955	137	2,092	1,800	717	2,517

\* Net of payments to private affiliates.

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HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament  
1959

SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

THURSDAY, JUNE 4, 1959

CANADIAN BROADCASTING CORPORATION

WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation; J. P. Gilmore, Controller of Operations; M. Carter, Controller of Management Planning and Development; M. Ouimet, Deputy Controller of Broadcasting; and J. J. Trainor, Assistant to Director of Audience Research.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* G. E. Halpenny, Esq.,

*Vice-Chairman:* J. Flynn, Esq.,

and Messrs.

Miss Aitken,	Fortin,	Nowlan,
R. A. Bell ( <i>Carleton</i> ),	Johnson,	†Paul,
Tom Bell ( <i>Saint John- Albert</i> ),	Kucherepa,	Pickersgill,
Brassard ( <i>Lapointe</i> ),	Lambert,	Pratt,
Mrs. Casselman,	Macquarrie,	Richard ( <i>Ottawa East</i> ),
Chambers,	Mitchell,	Robichaud,
Dorion,	Morris,	Simpson,
Eudes,	Muir ( <i>Lisgar</i> )	Smith ( <i>Calgary South</i> ),
Fairfield,	McCleave,	Smith ( <i>Simcoe North</i> ),
Fisher,	McGrath,	*Taylor,
Forgie,	McIntosh,	Tremblay.
	McQuillan,	

*J. E. O'Connor,  
Clerk of the Committee.*

\*Replaced Mr. Jung Wednesday, June 3, 1959

†Replaced Mr. Pratt Thursday, June 4, 1959

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ORDERS OF REFERENCE

WEDNESDAY, June 3, 1959.

*Ordered*,—That the name of Mr. Taylor be substituted for that of Mr. Jung on the Special Committee on Broadcasting.

THURSDAY, June 4, 1959.

*Ordered*,—That the name of Mr. Paul be substituted for that of Mr. Pratt on the Special Committee on Broadcasting.

ATTEST

LÉON J. RAYMOND  
*Clerk of the House.*



## MINUTES OF PROCEEDINGS

THURSDAY, June 4, 1959.

The Special Committee on Broadcasting met at 9.30 a.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Messrs. Bell (Carleton), Bell (Saint John-Albert); Mrs. Casselman; Messrs. Chambers, Dorion, Fairfield, Halpenny, Kucherepa, Lambert, Macquarrie, McCleave, McGrath, McIntosh, Pickersgill, Robichaud, Simpson, Taylor and Tremblay—(18).

In attendance: Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. Marcel Carter, Controller of Management Planning and Development; Marcel Ouimet, Deputy Controller of Broadcasting; J. P. Gilmore, Controller of Operations; R. C. Fraser, Director, Public Relations; A. M. Henderson, Comptroller; W. G. Richardson, Director of Engineering; R. E. Keddy, Director of Organization; Barry MacDonald, Secretary, Board of Directors; and J. A. Halbert, Assistant Secretary, Board of Directors.

The Chairman observed the presence of quorum, and called Mr. Carter to continue with his presentation concerning the method of establishing staff requirements for television operations.

Messrs. Carter and Bushnell answered questions asked at previous meetings.

Copies of a television program cost report relating to the program "Téléthéâtre" were distributed to members of the Committee and it was agreed that it be printed as an appendix to today's record. (See Appendix "A")

Mr. Ouimet was called and read a statement relating to the production of the television program "La Plus Belle de Céans".

Messrs. Bushnell, Ouimet and Carter were questioned concerning this program, and ways of preventing similar productions in the future.

Mr. Gilmore was questioned concerning the possible overstaffing of some of the Corporation's facilities.

At 10.50 a.m. the Committee adjourned to meet again at 8.00 p.m. this day.

The Special Committee on Broadcasting met at 8.05 p.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Messrs. Bell (Carleton), Bell (Saint John-Albert), Brassard (Lapointe), Chambers, Eudes, Fairfield, Halpenny, Johnson, Kucherepa, Lambert, McCleave, McGrath, McIntosh, McQuillan, Richard (Ottawa East), Simpson, Smith (Calgary South) and Trembay—(18).

In attendance: The same officers of the Canadian Broadcasting Corporation as attended this morning with the addition of Mr. J. J. Trainor, Assistant to Director of Audience Research.

The Chairman observed the presence of quorum and suggested to members that the Committee's work could be expedited by submitting to him in advance a list of questions or areas of enquiry to be dealt with at future meetings.

Messrs. Bushnell and Trainor were called and Mr. Trainor outlined the functions and organization of the Audience Research Division of the Corporation.

During his presentation, Mr. Trainor tabled an organization chart, copies of which were distributed to members of the Committee, and ordered printed in the record of today's Proceedings. He dealt specifically with the work of the division on audience analysis and trends.

Messrs. Bushnell, Trainor and Ouimet were questioned concerning the possible utilization of the sampling and processing facilities available from the Dominion Bureau of Statistics, and the staffing of the Audience Research Division.

At 9.45 p.m. the Committee adjourned to meet again at 11.00 a.m. Tuesday, June 9, 1959.

J. E. O'Connor,  
Clerk of the Committee.

NOTE: *Text of the Proceedings recorded in the French language appears immediately following this day's Evidence.*

REMARQUE: *Le texte des témoignages recueillis en français figure immédiatement à la suite du compte rendu des délibérations de la séance d'aujourd'hui.*

## EVIDENCE

THURSDAY, JUNE 4, 1959.  
9.30 a.m.

The CHAIRMAN: Mrs. Casselman and gentlemen, we have a quorum. Before Mr. Carter proceeds with his statement in connection with method of establishment and staff requirements, Mr. Tremblay has one short question for Mr. Bushnell.

Mr. TREMBLAY: Mr. Bushnell, would you tell me whether or not it is true that an additional two weeks' holidays have been granted to those members of the Canadian Broadcasting Corporation who did not participate in the strike during last winter?

Mr. ERNEST BUSHNELL (*Acting Chairman, Board of Governors, Canadian Broadcasting Corporation*): Yes, it is true.

The CHAIRMAN: Would you now proceed, Mr. Carter.

Mr. MARCEL CARTER (*Controller of Management Planning and Development, Canadian Broadcasting Corporation*): With your permission, I would like to reply to a question asked by Mr. Tremblay on Tuesday evening regarding the number of employees for the script department in Montreal. There are thirteen employees in the department and the bureau processes or reviews 300 to 400 scripts a month, which amount to approximately 5,000 scripts a year. It services not only the French television network, but also the French radio network, the local operations of station CBM in radio, also CBF and the English originations from Montreal in connection with television, together with the requirements of the international service, which is also located in Montreal. Does that answer your question, Mr. Tremblay?

Mr. TREMBLAY: Has Mr. Robert Charbonneau the first responsibility for this bureau?

Mr. CARTER: Do we deal with individuals, Mr. Chairman?

The CHAIRMAN: The question was merely to the effect that he wanted to know where Mr. Charbonneau appears in the organizational chart.

Mr. TREMBLAY: I would like to know if he is a member of the bureau.

Mr. CARTER: He heads it.

Mr. TREMBLAY: Are Miss Angele Dupuis and Mr. Robert Beaugrand-Champagne members of the bureau?

The CHAIRMAN: I think it is all right, Mr. Carter, if you merely tell Mr. Carter whether or not they are in the establishment. Are they in the establishment?

Mr. CARTER: Yes.

The CHAIRMAN: Would you continue, Mr. Carter.

Mr. CARTER: Now, if I may come back to the question of the method of establishing staff, I will do so. I believe this is my fourth attempt to deal with this subject. I do not know whether or not there will be another bell this morning.

Mr. CARTER: I have already discussed with the committee the way a program idea was discussed and finally approved.

When the program idea has been approved, the program director will determine with the supervising producer, if there is one in the area involved, who should produce the program. The program director then relies on the supervising producer to follow the progress of the rehearsals, and so forth.

Once a program has been assigned to a producer the first thing he does is assemble a team which basically constitutes a script assistant, a production assistant, a technical producer and a designer. This team sits with the supervising producer and they deal with all problems connected with the production of the program. In the course of these meetings people from costume, make-up and graphic arts may be called in to discuss particular aspects which are of concern to them, but basically the team of script assistant, technical producer, producer and designer are the people who participate in these discussions from beginning to end and, in fact, carry on until the program has been aired.

Now these program meetings, as you can envisage, do not last one day only, but they may carry on for one week, two weeks, a month and perhaps longer, depending on the importance of the show to be presented.

Once they have finished with their production planning, the conclusions they have reached are put down into a production requisition or a production book. In this document are detailed the requirements from the various services; in other words, what they will have to do for this particular program. This is directed to costumes, make-up, graphic arts, design, paints, carpenter shop, accessories or props, films and the technical services.

Now, concurrently with this activity of planning the production, the producer with the assistance of the casting department will select the performers who will play a role in the production. Once they have been chosen, arrangements are made with the individuals concerned, and they come to terms. After the cast has been assembled, a meeting is held with those producers to determine a rehearsal schedule, so everyone will know the date, time and place when the rehearsals are to take place.

The rehearsals take place in two stages. There are dry rehearsals which take place in the halls that we have for that purpose in order to save our studio facilities. We could not hope to carry on rehearsals, continuously in studios because this would require an abnormally large amount of facilities. In these halls the producer is able to simulate the conditions that will be made in the studio by means of tapes which are placed on the floor to outline the sets and to indicate where properties will be located in order that the performers actually can work out the play. Now, in connection with the rehearsals, all but two days of rehearsal are conducted in those halls, and the last two days of the actual production does take place in the studio.

At the studio rehearsal all elements of staff and planning are brought together. Throughout the dry rehearsal period the artists alone have worked with the producer, but when they get into the studio all the service departments that will make a contribution to the program come into it, as is indicated on the chart by the large number of people in the studio.

It should be indicated here that the number of technical and staging staff used in the studios are determined by the work load. This work load very often is determined in line with terms and conditions of employment and jurisdiction areas spelled out in various agreements with unions. For example, you cannot have a technician perform, deal with props or accessories or assist in the staging.

It is important to know that the time required for production and planning varies according to the type of show involved. It may be one week, two weeks, three weeks or even a month or two in the case of large productions. In extreme cases, such as the visit of Her Majesty, a period of six months of planning has been required to arrange for the pick-up points, the assignment of staff and so forth. Planning for facilities to take care of this has been going on for almost a year.

In connection with the time required for a rehearsal, it might be of interest to the committee to know that for a one-hour drama three weeks of dry rehearsal normally takes place, in addition to the planning sessions that have occurred before; and for a variety show a week is usually required. Twenty-five hundred hours of work are provided by C.B.C. staff for a drama and this involves approximately 100 employees. For the one-half hour variety show, an average of 1,450 hours is required and this involves the services of approximately 60 people. Now it is the sum total of the requirements of individual programs, such as these two examples which I have given, that add up to the general staff requirements for a complete operation. When we note that during the fall and winter program season, which is the big production time in the broadcasting industry, our English network in Toronto produced 37 hours a week of live programming while 57 hours a week are produced from Montreal through the French network, it must be apparent that staff requirements involved in such a large output are of necessity correspondingly large.

The question was raised about the number of producers we have employed in Toronto and Montreal. If we take those figures of 37 hours a week in Toronto and 57 hours a week in Montreal and keep in mind the number of producers employed at these two locations, we come to an average of about 38 hours of programming a year per producer. I am tying that up with a statement I made previously: for a dramatic show a producer will be tied up for a period of five or six weeks; on other shows it is more. That man, by working very hard, will produce eight hours of program by the end of the year because he works 48 weeks a year. In other shows, such as the variety type a man will produce approximately 12 hours of program. Therefore, these two examples would seem to justify the number of producers we have employed at those two locations.

The CHAIRMAN: Are most of these producers you have full-time employees of the C.B.C. or do you get the odd freelance producer?

Mr. CARTER: I believe they are all full-time employees in Montreal; but in Toronto actually we have hired a producer for a specific number of occasions.

Mr. SMITH (*Calgary South*): In addition to those you have mentioned, are there any others who are not producers but are carrying out the functions of a producer who are carried currently on your staff and hold the title and are paid as producers?

Mr. CARTER: There are other locations. I limited myself to Montreal and Toronto. Mr. Smith, you mean in an advisory capacity?

Mr. SMITH (*Calgary South*): Yes, or for some other reason known to the corporation. They may be doing other work.

Mr. CARTER: Not that I know of.

Mr. PICKERSGILL: Have you corresponding figures for Vancouver, Winnipeg, Halifax and Ottawa?

Mr. CARTER: I have no detailed figures for the hours of production and so forth. However, I can say that in Vancouver we have fifteen producers. In Winnipeg we have ten and in Halifax we have seven.

Mr. PICKERSGILL: How many are there in Ottawa?

Mr. CARTER: Six.

Mr. PICKERSGILL: It would be interesting to have on a subsequent occasion the corresponding figures for the production in those places to the ones which were given for Toronto and Montreal.

Mr. CARTER: All right, I will endeavour to get that information for you.

Mr. SMITH (*Calgary South*): The question I asked in connection with Toronto and Montreal applies to the other cities as well. I would like to know if there are any extra staff being carried as producers and not performing that function.

The CHAIRMAN: We will get that information for you.

Mr. MCINTOSH: Have you calculated the cost of production per hour for each studio?

Mr. CARTER: In working out our costs we have fixed rates established for the use of a studio with two cameras; if three are used that would necessitate additional staff and facilities and the rates would be different. However, we have rates set up that apply to any of the facilities which are used. The same applies for mobile units and so forth.

The CHAIRMAN: Do you wish to proceed, Mr. Carter?

Mr. CARTER: That is all I have to say on that particular point, sir.

The CHAIRMAN: Are there any questions for Mr. Carter in connection with this chart? If not, we shall continue. Mr. Bushnell, you have some answers to questions you would like tabled.

Mr. BUSHNELL: Yes. I think it was Mr. McGrath who asked for the audience for Peter Grimes and I indicated that was part of the Folio series. I think I quoted the figures for the average audience during the month and then someone asked, when I mentioned Sudbury, what the name of the Folio production was. Well I guess there must be a lot of good Irishmen in Sudbury because it was called the Iron Harp. It was on March 17.

Mr. MCGRATH: It was a good play.

Mr. BUSHNELL: Yes.

Then I think Mr. Tremblay asked for a cost breakdown for Teletheatre. I think that has been distributed.

The CHAIRMAN: No; it will be distributed now. Gentlemen, I think we should print this in the appendix.

Agreed.

Mr. BUSHNELL: I believe Mr. Tremblay indicated he might wish to ask some questions.

Mr. TREMBLAY: No, thank you.

Mr. BUSHNELL: The next statement we wish to make—

The CHAIRMAN: Before we leave this program, is this a one-time show which was held on December 11?

Mr. BUSHNELL: Yes; it was a one hour show.

I believe Mr. Tremblay asked for a statement on "La Plus Belle de Céans." I would ask Mr. Marcel Ouimet to make the statement on that now.

Mr. MARCEL OUIMET (*Deputy Controller of Broadcasting*): Mr. Chairman, if I may, I will read the statement paragraph by paragraph in French in order that the translator may follow up with the translation paragraph by paragraph. I imagine it will take me about five minutes or thereabouts.

(*Interpretation*): As you all know the failure of "La Plus Belle de Céans" was so complete that the C.B.C. management had to offer excuses to the Mother Superior of the Grey Nuns, make these excuses public, and carry

out investigation in respect of the circumstances surrounding this program. The inquiry is now closed. It was very complete. It clearly establishes that normal control of programs failed in these circumstances.

Mr. BUSHNELL: Mr. Interpreter, I would like to add this. Your interpretation may be correct. However, I would like to say that it is not excuses; it is, that we have offered our abject apologies. There were no excuses.

Mr. OUIMET (*Interpretation*): In fact there were sins of imprudence, a lack of foresight, absence of system supervisors, the absence of the director of production, the excessive work entailed by the re-establishment of the proper schedule after the strike, the late preparation of the summer schedule and the preparation of the fall schedule. All are factors which have contributed to the disorganization of the system.

(*Interpretation*): As a result the C.B.C. wished, if it was possible, to mark this beatification of Mother d'Youville, and acted with too great haste in order to make this program coincide with the ceremonies in Rome. It was attempted to mount a program with great speed. Account was not sufficiently taken of the fact that the proper organization was still lacking, so that use was made of a script which was already in the hands of the C.B.C. and a sufficient attempt was not made to determine whether or not this script was suited to the circumstances of the day.

(*Reference in English to translation*): The translator said the proper organization was still lacking. I would say that a more proper translation—and I am sure he will agree with me—would be that the mechanics were still rusty from the fact that the strike had just taken place a few weeks before.

(*Interpretation*): A heavy responsibility obviously lies on those who were entrusted with the task of supervising production. The supervision should have been very close indeed on every aspect of such a delicate matter as a program of this type because of the inspiration of the program and the great event with which it coincided and also because of the costs involved. One of the responsible parties, however, did wait until the very last minute to react even though he did himself entertain very serious doubts as to the advisability of carrying out the program.

(*Interpretation*): If we look at the actual finished product, it will be admitted that no success at all was obtained in giving to this program the direction, the atmosphere and the climate which would have been appropriate to that program. Certain scenes of a religious character which had to do with the charitable life of Mother d'Youville could, to a certain extent, have balanced those other scenes which were purely inspired by the lay and mundane life of Mother d'Youville and the people among whom she lived. The fact remains, however, that the success of the play was already jeopardized to a very marked degree by certain scenes which were somewhat off colour and definitely out of place.

(*Interpretation*): Of course, it must be admitted that the situation was difficult. We would have needed more time to prepare production, see to editing, have a good long second thought on the script itself to be studied with the writer with due consideration being given to May 3 and the circumstances peculiar to that day. However, because of the necessity of putting on this production urgently sufficient account was not taken of all the elements of the case by those responsible. There were only two days of rehearsal with cameras. There was hardly time for what is called in broadcasting jargon, blocking. It was even impossible for complete proper dress rehearsals.

(*Interpretation*): As you see, we have gone back, stage by stage, over all of the stages of that program. We have looked at and weighed the errors of judgment and the mistakes in taste which have led to this failure and as

well the degree of guilt of those who are responsible, but we have had no wish to forget the excellent work performed by each and every one in the past. It is never easy, in artistic circles, to accept such a complete and utter failure. In this particular case, the reaction of public opinion and the condemnation vested upon us by public opinion constitutes a supplementary punishment.

(*Interpretation*): Finally, as has already been indicated by us, this responsibility is a social responsibility, a corporate responsibility, a responsibility of the C.B.C. itself in the same way as it was also a corporate responsibility to take, within the C.B.C. itself, those steps which are indispensable in preventing a repetition of such an incident.

The CHAIRMAN: Would you please repeat that final paragraph? The one about the steps to be taken?

The INTERPRETER: Finally, as has already been indicated by us, this responsibility is a corporate responsibility, a responsibility of the C.B.C. itself, as it is also a corporate responsibility incumbent upon us to take within the C.B.C. itself those steps which are indispensable in preventing a repetition of such an incident.

The CHAIRMAN: I would now ask Mr. Bushnell what steps have been taken so that this type of thing cannot happen again.

Mr. BUSHNELL: I think I would put first the fact that there has been, quite properly, so much criticism voiced from almost every quarter that I should think it has been brought more forcibly to the attention of our program directors or supervising producers or producers themselves that this is something which should not have happened and must not happen. I think they realize—everyone in the corporation realizes—that we made a very bad mistake. It was a mistake of judgment. In the circumstances, I think the impression upon our people, perhaps more than anything else we might do, is that this sort of program simply cannot be allowed in the C.B.C. Secondly, we have had very serious discussions with our people in Montreal. We have told them in the plainest possible terms that it must not happen again. We have reprimanded them severely for what they did on this occasion. Certainly, I can say this, in all fairness, that under normal circumstances it would not have happened.

We are now, I should think, almost back to normal. I firmly believe that the people who are in charge in Montreal now will make absolutely and positively sure that anything of this nature will not happen again. If it does, they know what the consequences are going to be.

The CHAIRMAN: Have there been any consequences up to this time? I mean, will you accept one, two, three or four resignations because of it?

Mr. BUSHNELL: I should like to say this, that the supervising producer, who to a very large extent indeed was responsible for seeing that this production was properly presented—or, indeed, seeing that it should not have been presented in the way it was—had already tendered his resignation to the corporation prior to the program, and we ourselves, because of the shortage of staff that Mr. Carter has mentioned, asked him to remain with us. Immediately this happened, he quit.

Now we cannot do anything about that. I, Mr. Chairman, am reluctant to go beyond that, because it concerns one individual.

The CHAIRMAN: That is all right. I am not "witch hunting", but the reason I asked that question was, I was wondering if another look should be taken at your organizational chart. Maybe your organizational chart is not right, and maybe you should take another look at that, so that there is a definite line of responsibility right to, say, an editor in chief, or something like that, who must consider and O.K. all scripts, even before they are thought of.

Mr. SMITH (*Calgary South*): This is the point. I thought that Mr. Bushnell, if I may say so—and this is a well meaning criticism—was perhaps a little vague in trying to assess where the responsibility could directly lie. I have been reading through your organizational chart. You recall, Mr. Bushnell, that under further examination you said that this is a shared responsibility, and we never really did come to a conclusion—without, again, mentioning names—as to where, even taking this as an example, the final responsibility must rest.

This struck me, for a large organization the size of yours, a little unusual, in that you came to the conclusion that the final responsibility rests with the president and the vice president. Surely that is a bit academic, and surely there must be some individual assessment in each of these particular shows as to who is responsible to you?

Mr. BUSHNELL: Yes, Mr. Smith, that is so. But it is the line of responsibility that I am speaking of. Actually, the person who is next responsible to me would be the controller of broadcasting and the deputy controller of broadcasting, Mr. Marcel Ouimet. The regional director is responsible and, there again, down the line you go.

I am sorry if I disagree with you, Mr. Smith. I am not trying to duck anything: that is just my opinion. If you think otherwise, will you please tell me.

Mr. SMITH (*Calgary South*): I do think otherwise. I feel very strongly that if you run an army, a business, or a government, there has to be somebody at some point who has regional responsibilities in these organizations. I think you are being very gallant to assume the entire responsibility, but I do not think it is practical.

Mr. BUSHNELL: I agree that there are regional people who have responsibilities; but, as I tried to point out the other day, probably we should use the word "authority". May I ask Mr. Smith a question, Mr. Chairman? Would you put final authority in the hands of one individual at a certain level?

Mr. SMITH (*Calgary South*): Yes.

Mr. BUSHNELL: A man who can say "yes" or "no" definitely, without reference to anybody else—I think that is dangerous.

Mr. SMITH (*Calgary South*): You are now adding something which, of course, would not be the case. "Without reference" is no part of my argument; he must have reference, but he still must be responsible.

Mr. BUSHNELL: Indeed he is, and those people are there, and they are responsible: we hold them responsible.

Mr. OUIMET: If I may say so, Mr. Smith, in this particular instance we went into battle very completely under-manned, the very same way as, in the last war, in the case of a battalion commander, he would take the responsibility of going into battle with too small a force. If he won the battle, he got the V.C. or the D.S.O.; if he lost it, he had a very good chance of being sacked.

Mr. BUSHNELL: Or he got killed.

The CHAIRMAN: Nobody was killed in the C.B.C. because of this program?

Mr. BUSHNELL: No.

Mr. TREMBLAY: Are you saying you have responsibility for that show, Mr. Bushnell?

Mr. BUSHNELL: In a measure, yes. I cannot avoid my responsibility. I was given this position—rightly or wrongly—and if a mistake was made by one of my employees, then I was wrong. In this particular case I might remind you that some of these people have been there for a long time. I was not entirely responsible for their appointment, but if I knew there was someone in the organization who was irresponsible, then I am responsible for that, and I accept that responsibility.

Mr. SMITH (*Calgary South*): You do not feel you have too many generals and not enough captains?

Mr. OUIMET: We did lack five captains in this particular instance.

Mr. TREMBLAY: Mr. Chairman, may I ask a question? Mr. Bushnell, you said you are responsible for that show. Would you tell me why Mr. Dumas has been suspended for one month?

The CHAIRMAN: We are again entering into the field of personalities.

Mr. TREMBLAY: It is not personalities; it is a fact.

The CHAIRMAN: It may be a fact, but it still involves personalities.

Mr. TREMBLAY: I would like to point out that Mr. Bushnell said he is responsible for the show, and Mr. Dumas has been suspended.

The CHAIRMAN: Yes.

Mr. TREMBLAY: And I should like to know why.

The CHAIRMAN: You do not need to answer that, if you do not wish, Mr. Bushnell.

Mr. PICKERSGILL: That bears very directly on a question I wish to ask as a supplementary question, which is this: Mr. Smith said that surely in the army you have someone who is responsible for each definite thing. But does Mr. Bushnell not agree that those officers are responsible to their superiors, and it would be absolutely impossible to run the C.B.C. if parliament, or a supplementary committee, took over from the management of the C.B.C. the internal discipline of the corporation?

Mr. MCGRATH: Hear, hear.

An hon. MEMBER: That is a rhetorical question.

Mr. OUIMET: I may say, Mr. Chairman, that whatever action was taken, it was taken after a very thorough assessment of the responsibilities. As I said in the statement, there was a very thorough assessment within the C.B.C., and I do not think you can do any better than that.

Mr. CHAMBERS: On this question of responsibility: I notice that on Mr. Carter's chart there is a circle here, "Program budget. Approved", and then a signature. May we be told at what level—who signs this? Who, in other words, approves the budget in the corporation? I do not want a name. Is it the supervising producer?

The CHAIRMAN: Where is the signature on the chart?

Mr. CARTER: This is what Mr. Chambers refers to. Before answering the question directly, may I mention that Mr. Chambers talked about budgets. Each operating point makes operating plans in advance and makes recommendations to management, and with the operating plans a budget is recommended. This is examined by the officers responsible in Ottawa; it goes through the comptroller, and also through the office of the comptroller of operations. That budget is allocated to the director of television at the location to finance his operations. As indicated previously, the operating plans are put through program by program. There is an overall budget under the direction of the director of television, and once this production meeting has gone on, a report is submitted to the program director at the location. He recommends to the director of television that moneys be allocated to that program, and the director of television authorizes the budget for that program.

Mr. CHAMBERS: This is the point: a decision is made to produce a program, and it is the director of television who authorizes that?

Mr. CARTER: Everything is brought together at that point.

Mr. CHAMBERS: He says it is a good idea to go along with that program?

Mr. CARTER: Yes, that is right; and he has his program director, program administrative officer, and so on.

Mr. SMITH (*Calgary South*): You have a deputy controller and then, I believe, an assistant deputy controller; is that correct—or have I too many people involved in it now?

Mr. OUIMET: We have more than one assistant controller. Do you mean, in broadcasting?

Mr. BUSHNELL: Would you clarify that for me? A controller, did you say?

Mr. SMITH (*Calgary South*): The word "controller", I understood was just used in reference to the chart, was it not?

Mr. BUSHNELL: No. Again, we have to go back to head office. We have a controller of operations; we have a controller—

Mr. SMITH (*Calgary South*): You are familiar with all these people, I am sure, Mr. Bushnell.

Mr. BUSHNELL: Yes.

Mr. CARTER: Mr. Smith, you asked if there was a controller, a deputy controller and an assistant controller?

Mr. SMITH (*Calgary South*): That is correct.

Mr. CARTER: I presume you are talking about the broadcasting area?

Mr. SMITH (*Calgary South*): That is right.

Mr. CARTER: There is a controller of broadcasting in Ottawa, and a deputy controller. Mr. Jennings is the controller, and Mr. Marcel Ouimet is the deputy controller. They are responsible for programming policy, sales, relations with affiliated stations, and so forth.

Accordingly, there is an assistant controller for sales, assistant controller for station relations, and so forth. Instead of using the term "director", we are limited—

Mr. SMITH (*Calgary South*): This does not apply to this chart at all.

Mr. BUSHNELL: No.

Mr. TREMBLAY: Mr. Chairman, I would like to ask a question of Mr. Ouimet. If you will permit me, I will put my question in French.

Mr. CHAIRMAN: By all means.

Mr. TREMBLAY (*Interpretation*): You have said in your statement that the script which was used for the program, *La Plus Belle de Céans*, was already in the possession of the C.B.C. Had it been approved previously?

Mr. OUIMET (*Interpretation*): It had been submitted for another program series called, *Quatuor*. If you remember well, this was a program divided into four episodes. It was never used, for the good reason that the series was never completed. It had, therefore, been accepted in principle, but under certain reservations.

Mr. TREMBLAY (*Interpretation*): Will you answer another question? If this script was bad and unsuited to the broadcast on May 3, could it be suitable for broadcast on other occasions?

Mr. OUIMET (*Interpretation*): That is what I indicated when I said we had sinned by a lack of prudence and by a lack of foresight.

Mr. TREMBLAY (*Interpretation*): Now I will put a last question. I require no answer in this respect, but I do think I should put it anyhow. Did the original script not bear the note "Will shock holy souls, but can possibly be broadcast?"

Mr. OUIMET (*Interpretation*): I only saw one report in regard to this particular script, and I cannot remember seeing those words on it.

Mr. TREMBLAY (*Interpretation*): A supplementary question. You say you have only seen one report: do you think there could have been others?

Mr. OUIMET (*Interpretation*): There could well have been a report in respect of the Quatuor series, and there could also well have been a cautionary note in respect of the broadcast of May 3.

Mr. TREMBLAY (*Interpretation*): A last one, Mr. Ouimet. Is it a fact that Mr. Beaugrand-Champagne, who was a member of the script bureau, was suspended temporarily?

The CHAIRMAN: Do not answer that, please, Mr. Ouimet.

Mr. TREMBLAY: Why not, Mr. Chairman?

The CHAIRMAN: We are getting, again, into personalities. I am sorry.

Mr. TREMBLAY: It is a question of fact.

The CHAIRMAN: I do not care whether it is a question of fact, or not; these are personalities. We all agreed we would not do it. If you feel we must go into personalities, so move, and we will again determine whether this committee wants to get into personalities. There is no reason why you should be treated any differently than any other members here.

Mr. TREMBLAY: On a point of order, Mr. Chairman: you said before that Mr. Bushnell will produce a statement.

The CHAIRMAN: Which he did.

Mr. TREMBLAY: And you told me, especially you told me—that if I was not satisfied, I would have the opportunity to put questions.

The CHAIRMAN: I said you would have the opportunity to go over to C.B.C., and you can sit in Mr. Bushnell's office or in Mr. Ouimet's office, and ask them any question you wish, and they will give you the names--as long as it is not made public; as long as it is a personal thing between you and the C.B.C.

Mr. SMITH (*Calgary South*): Mr. Bushnell, recognizing that this is a question asked by a layman, I realize the difficulty in probably having an assessment of what it takes to run a particular studio or to develop a production. Looking at this chart, we see a great number of people involved to produce the finished product. We also see a reference made to the number of producers, and we have all seen the C.B.C. descend on a particular location with large numbers of staff. Also, most of us have seen television stations where a relatively small number of people produce smaller shows. I hope I can get a specific answer from you.

The charge is generally laid that you are over-staffed and you have too many in the hierarchy. You also here it said that—for instance in Vancouver I believe you have 15 producers—and, as one of my colleagues comments to me, that seems an awful lot of bearded gentlemen in one location to produce what comes out of Vancouver. The question, specifically, is: have you made any attempts, through any other sources and purely corporation sources, to assess whether you can streamline your operation, use less personnel, and thus cut your costs? What have you done to see whether you could make an assessment to reduce these over-all costs, having regard to the corporation and number of people in the corporation?

Mr. BUSHNELL: I think the important point you are trying to make is whether or not we have brought in outside consultants or experts. I think it would be prudent to say we have not specifically; but certainly during the Fowler commission, during the year when we had this firm of consultants looking over our whole operation, it was never suggested by them that I am aware of that we were overstaffed.

Mr. SMITH (*Calgary South*): I am not going to ask you directly if you think you are overstaffed, because you will obviously say no.

Mr. BUSHNELL: May I go on, please, Mr. Smith. I will tell you what we are doing, and this will be Mr. Carter's job, as well as Mr. Keddy's and other management personnel. They are going right into this whole matter of seeing whether or not we are overstaffed in any part of the corporation.

Mr. SMITH (*Calgary South*): Whose job did you say it was?

Mr. BUSHNELL: Mr. Carter's and Mr. R. E. Keddy's.

Mr. SMITH (*Calgary South*): They are about to make an assessment of this?

Mr. BUSHNELL: They have been working on it and if it had not been for this unfortunate circumstance in Montreal much more of that work would have been done already.

Mr. SMITH (*Calgary South*): And when will the report be complete?

Mr. BUSHNELL: It would take several weeks, Mr. Smith.

Mr. SMITH (*Calgary South*): Could I ask you specifically if you do not think fifteen producers in Vancouver are not more than the city requires, considering the work that is done in that particular studio?

Mr. BUSHNELL: I will give you a very definite answer; the answer is no.

Mr. MCGRATH: If Mr. Bushnell can tell us, I would like to find out the total staff of the main production areas, not necessarily involved in production, but your total staff in Vancouver, Toronto, Montreal and Halifax.

The CHAIRMAN: You want the total establishment?

Mr. MCGRATH: Yes.

The CHAIRMAN: Without a breakdown as to responsibility?

Mr. MCGRATH: Yes, but your total staff.

The CHAIRMAN: That can be produced.

Mr. BUSHNELL: I can produce that.

Mr. PICKERSGILL: Has a specific comparison ever been made by the C.B.C. of the number of technical personnel required in their production, say, in Vancouver as compared with a roughly comparable station in Seattle, or in Toronto with something roughly comparable in Buffalo, to see whether, as some people do allege, there are more people employed by the C.B.C. than by these people who have to meet a different kind of balance sheet. These questions are raised. I am not making any assertion in connection with that matter, but they are raised.

Mr. BUSHNELL: There is no question about it; they have been raised many, many times. Probably Mr. Gilmore could provide you with more information that would be useful. He is the controller of operations and this comes under his area of responsibility.

Mr. PICKERSGILL: I think we would be interested in having his comments on it.

Mr. J. P. GILMORE (*Controller of Operations, Canadian Broadcasting Corporation*): Mr. Chairman, this is not a new question to the corporation. It has been asked in connection with radio broadcasting over the years, before the advent of television. It has been asked both internally and externally since television took over the broadcasting medium, so to speak. It must be remembered in making these comparisons that the C.B.C. is the only network broadcasting organization in Canada. This is an important distinction because it is like comparing the general store in Williams Lake, British Columbia with Eaton's College street in Toronto. They are not the same problems. However, I think a comparison with Eaton's possibly would be one of the large departmental stores in New York, and this is the comparison we make. Firstly, in respect to comparing our operations with those

of a private station I must say that we are dealing with six or eight union organizations, with written terms of work and conditions of work, which we must observe to the letter. We are confronted with a deluge of grievances if any article of these agreements is breached by having a person perform multiple functions which are not in his job specification: then we are into a lot of administrative machinery. Getting back to this problem of efficiency, yes, we have taken a look at our operations compared with C.B.S. and compared with N.B.C. This was prior to the Fowler commission. However, during the Fowler commission the consultants, as well as the commissioners themselves, did this; and I can recall, if I may paraphrase one bit of testimony during the Fowler commission hearings, the chairman of the commission, Mr. Fowler himself, said he had gone across Canada and after looking at the C.B.C. and private station operations he felt there were a lot of people involved in our network broadcasting until he had gone to New York; then he realized there was more involved in the American network productions. I would like, with your permission, to read one extract which appears at page 255 of the Fowler commission report. It has to do with financing:

Is the C.B.C. efficient? Does it waste public money? The answers, in the financial circumstances that have existed, cannot be a simple yes or no. Our studies show that the C.B.C. has accomplished much in a short time. In general, it has produced programs of comparable quality at substantially lower costs than similar programs in the United States. We found no examples of careless waste and certainly nothing that even remotely resembled fraud, neglect or mishandling in the administration of C.B.C. finances. On the other hand, we cannot say that everything is right with the present financial situation of the C.B.C.

Then he goes on to make certain recommendations in connection with financial arrangements, which subsequently have been made by our comptroller. We did have a very big study of our operations by the financial consultants to the Fowler commission.

Mr. PICKERSGILL: I have a question which is related to the answer which was just given. Mr. Gilmore said the C.B.C. was to a great extent governed by collective agreements with their employees, and we recognize that, but would not the collective agreements in operation with the American networks be exactly of the same character?

Mr. GILMORE: Yes, networks.

The CHAIRMAN: May I ask a question. Have we a unit in the C.B.C. which does not do any production other than that for local talent, in Halifax, for example?

Mr. GILMORE: Yes. At each station, both in radio and television, we do produce a fairly large amount of local programming and that is why we need the producers numbered by Mr. Carter.

The CHAIRMAN: Would you need any more in one of those stations, for example, Halifax or CFPL-TV in London?

Mr. GILMORE: For local production we would need only slightly more because of the restrictions I have told you about. But, in addition to programming locally the corporation tries to reflect the different regions of Canada to one another in its programs so that your local activity is complicated by a network programming responsibility as well.

The CHAIRMAN: Does not a private station such as CFPL-TV generally feed your network the odd item?

Mr. GILMORE: Other than some film, I cannot recall anything.

The CHAIRMAN: Is there not a two-way microwave?

Mr. BUSHNELL: They did feed a program to the network on one occasion.

The CHAIRMAN: I think we would like to compare something definite. We do not need to take Eaton's and Macy's, but we would like to compare one of your units that has a gross of one million dollars a year with a private station in Canada that has a similar gross.

Mr. BUSHNELL: We do not know that about a private station.

The CHAIRMAN: We will find it out if you can give us say a station that has a gross of somewhere between one million and one-and-a-half million dollars a year.

Mr. GILMORE: There is an answer pending concerning the staff of one or two of our stations.

The CHAIRMAN: Could you include a station of approximately that size with some of your own?

Mr. BUSHNELL: Yes.

Mr. PICKERGILL: I have a similar question. Are there not some stations on the west coast of the United States that would be strictly comparable with Vancouver in our network. It seems to me that is the kind of comparison that might be useful.

Mr. GILMORE: It depends on the production output of the given station. I am thinking of one in San Francisco, a radio station. They had a fairly big operation and a larger number of studios than Vancouver; they were better equipped, but there was only one hour of programming a week going out of there to the N.B.C. network.

Mr. MCINTOSH: I would like to get back to Mr. Tremblay's question in connection with pinpointing the responsibilities for those programs to which he has referred. Comparison has been made between a large store and a small country store. I would like to suggest that in a large store the responsibility can be pinpointed much easier than in a small establishment. The same thing applies to an army and this reference to the Victoria Cross and a reprimand does not hold good, because the individual at the bottom of the line receives his orders, and if he contravenes them it is his responsibility.

The CHAIRMAN: Would you get to your question, Mr. McIntosh?

Mr. MCINTOSH: How many hours would this show take, other than the two hours before the camera, and how long would it take the results of that production to get to the vice-chairman?

The CHAIRMAN: I think that was answered earlier in today's meeting. Mr. Carter covered that point.

Mr. MCINTOSH: He made reference to five weeks and two weeks, but said this show is only two hours before the camera.

Mr. OUIMET: The answer is two days.

Mr. MCINTOSH: How many days for rehearsal?

Mr. OUIMET: That all depends on what you call rehearsals.

Mr. MCINTOSH: What do you call it?

Mr. OUIMET: You have dry rehearsals and rehearsals before the camera.

Mr. MCINTOSH: What did you mean when you said three or five weeks' rehearsal?

Mr. OUIMET: We do know the time elapsed was not sufficient.

Mr. MCINTOSH: That is obvious. How long did it take to rehearse this show?

Mr. OUIMET: It took two days before the cameras and I would say probably a week in dry rehearsal.

Mr. MCINTOSH: And you have no report in that week on the show?

Mr. OUIMET: I have just been informed it was four weeks in dry rehearsal.

The CHAIRMAN: That is practically the normal period of time.

Mr. SMITH (*Calgary South*): I wonder, Mr. Chairman, if I might ask a further question of the witness concerning the staff.

The CHAIRMAN: Proceed, Mr. Smith.

Mr. SMITH (*Calgary South*): The witness read a very interesting excerpt which is, of course, an opinion of the chairman of the royal commission and is dated March, 1957. That means it is over two years old. Is it not true that your greatest increase in staff has taken place since then? I am concerned that perhaps had Mr. Fowler an opportunity to take a look at your operations today, he might not have been quite as enthusiastic in his praise when mentioning there was no suggestion of overstaffing—I do not know. Is it not true that you are today at your peak and that you have added considerably more in the past two years and which may even be out of proportion to the extent you have expanded your facilities?

Mr. GILMORE: I would prefer it if Mr. Carter could get the staff figures year by year. I venture to say when we look at those figures we will find since the summer of 1956 the curve has flattened off. I believe that is true. I could not take an oath on it, but I could furnish those figures.

The CHAIRMAN: Will you check them?

Mr. BUSHNELL: Actually they are here. The total staff as of March 31, 1957 was 5,939 and as of March 31, 1959—two years later—the total staff was 7,051, an approximate increase of 1,000 persons.

Mr. SMITH (*Calgary South*): It is fairly substantial.

Mr. MCGRATH: Mr. Chairman, I have two or three questions which I would like perhaps to have answered at the next hearing; it is relevant to this discussion. Could we have the amount of property owned by the Canadian Broadcasting Corporation in the cities of Vancouver and Halifax, the amount of property rented by the Canadian Broadcasting Corporation in Vancouver and Halifax; what this property is used for in both these cities and what proportion of the network programming originates from these two centres. I am referring especially to television.

Mr. BUSHNELL: I think we will have to include radio.

Mr. MCGRATH: I could confine my question to television.

Mr. BUSHNELL: It would be easier, if I may say so, to give you an overall figure, because in certain parts of our operation the two mesh and it would be difficult to say.

The CHAIRMAN: That will be produced.

Mr. McCLEAVE: I would like that question amended to cover the broadcasting facilities for those areas. I know in Halifax they have property outside of the city.

Mr. PICKERSCILL: I would suggest we have it for Winnipeg as well.

Mr. SIMPSON: Reference has been made to the large number of unions with which their employees have contracts. I wonder if we could have a breakdown on the union set-up and the categories under which these people work. I am also wondering if it is the policy of the C.B.C. to outline the duties of these different classifications or if they are outlined by the various unions.

Mr. BUSHNELL: Well, Mr. Simpson, at page 20 of my initial statement I outlined the various unions with which we have agreements and the number of people involved in each area.

Mr. SIMPSON: I am sorry; are these answers on the record?

Mr. BUSHNELL: Yes, at page 20 of the minutes of proceedings and evidence.

Mr. SIMPSON: How about the relative duties or work which come under these classifications.

The CHAIRMAN: That is pretty well outlined as well at page 20. Have you a question, Mr. Chambers?

Mr. CHAMBERS: I understand that the C.B.C. recently bought the rights to broadcast the Big Four this year.

Mr. BUSHNELL: That is correct.

Mr. CHAMBERS: I do not know if you have given a figure. There has been a figure of \$312,000 mentioned in the paper. Have you given out that figure?

Mr. BUSHNELL: Let me say no. No one in the C.B.C. gave it and none of the executives of the Big Four admit having given it. But we had an agreement that neither one of us would give out that figure for the time being, and it came out the next day and I cannot find who was responsible.

The CHAIRMAN: I might suggest, it is like a caucus meeting, Mr. Chambers.

Mr. CHAMBERS: It has also been said, I believe, that the rights for the Western conference have been purchased for \$125,000.

Mr. BUSHNELL: \$117,000.

Mr. CHAMBERS: And you are negotiating for the Grey Cup rights at \$125,000?

Mr. BUSHNELL: We have the Grey Cup rights at \$125,000.

Mr. CHAMBERS: Which is a total of about \$500,000, or a little more. Could you tell me what would have to be added for line charges, production and other costs to get a total cost for telecasting football in Canada this fall?

Mr. BUSHNELL: I can get that for you; I have not got it here at the moment. It would depend; and I would ask you to take this into account: it has not been definitely decided how many of the regular games will be televised; but I should like to make it clear that we have purchased the rights to televise all of the games. There are 28. How many we can do has not yet been decided; but we are aiming at 21.

Mr. CHAMBERS: Roughly speaking—from looking at the previous figures we have been given—if you have obtained rights, and so on, to televise, the rest of it—the broadcasting, televising, and so on—is about equal?

Mr. BUSHNELL: Yes.

Mr. CHAMBERS: So, in other words, we can assume a figure of about \$1 million for football?

Mr. BUSHNELL: Yes.

Mr. CHAMBERS: In previous years the Big Four and the Grey Cup—I am not too familiar with the western teams—those rights have been bid on by the sponsors, and they then went on and paid your charges for production, line charges, and so on.

I was wondering why you bought them this year. If you had left them in the market, could they not possibly have been bought by a sponsor for a lesser figure than the \$312,000 that has been voted and, therefore, perhaps some money could have been saved in this matter? In other words, were you not competing with your own customers when you bought the Big Four?

Mr. BUSHNELL: No, Mr. Chambers, because the Big Four actually put out tenders and they got very few offers. The offers they did receive were not in any sense satisfactory to the executive of the Big Four, and they simply said, "If that is all we can get from a sponsor, there will be no football".

Mr. CHAMBERS: They asked, I believe, for \$350,000, and they now have \$312,000. I suggest that a month or so from now they would have been, possibly, very happy to take \$220,000, or something of that nature.

Mr. BUSHNELL: Again, Mr. Chambers, maybe you are right.

The CHAIRMAN: That is an opinion, I imagine. I think we will have you close off with the next question.

Mr. MCGRATH: Perhaps it is significant that we will, because the question I wanted to raise was: at the last meeting we went into the audience research bureau, and if my memory serves me correctly, the department of information services. I thought that we were to follow any degree of continuity, we would perhaps get into the Department of Public Relations, which I understand has a fairly substantial budget.

The CHAIRMAN: It is my suggestion to the committee that we meet again here tonight, in this room at 8 p.m. I know that Dr. Fairfield has several more questions on the research department, and then we can go right on with organization.

Mr. SMITH (*Calgary South*): May I make a suggestion, Mr. Chairman?

The CHAIRMAN: Is it agreeable that we meet here tonight at 8 o'clock?  
Agreed.

Mr. PICKERSGILL: It is very difficult, particularly with the kind of questions—

The CHAIRMAN: I realize it is difficult, but we have so much before us, and the House is likely to prorogue some time before September.

Mr. SMITH (*Calgary South*): Mr. Chairman, I would like to make a suggestion, which may be helpful in procedure and, again, in the interests of continuity and to know where we are going in our meetings. My suggestion is this: there are a number of areas in which each of the members will want to carry on some examination. The thought occurred to me that we might independently express them to you, and you could in turn, hand these on to Mr. Bushnell. He could then relate them to the people concerned, with a notation of the area of examination we wish to follow. This would assist our continuity, and save time, because they would perhaps be prepared to answer many of the questions.

For example, I would like to go back to the examination of costs, sales, methods, organization, relationship with private stations, and so on.

The CHAIRMAN: I think that is a very good idea; I think it would save time, and certainly work for the C.B.C. We will adopt that plan. If there are any questions, will you submit them to me.

Mr. BELL (*Carleton*): In fact, prepare an agenda?

The CHAIRMAN: Yes.

Mr. LAMEERT: Can we indicate those to you privately?

The CHAIRMAN: By all means, send them to me.

Mr. CHAMBERS: Mr. Bushnell said he would try and get an estimate of the cost of production of football. I wonder if it would be possible to have an estimate of what the C.B.C. hopes to recover from sponsors in reselling this?

Mr. BUSHNELL: Mr. Chambers, you have led with your chin. I could make a very cryptic answer but I am not going to do so.

Mr. McCLEAVE: Mr. Chairman, I want to withdraw a question I asked at page 119, if I may, about Close-Up. I think the answer would involve personalities.

The CHAIRMAN: That is withdrawn; thank you very much. This meeting is adjourned until 8 o'clock tonight in this room.

## EVENING SESSION

THURSDAY, June 4, 1959.  
8.00 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. I think you are going to be warm tonight, and if you would like to take off your coats, please do.

Mr. McCLEAVE: We are under way, are we?

The CHAIRMAN: Yes.

Mr. McCLEAVE: I just want to continue clearing up a point I made at adjournment.

The CHAIRMAN: All right, continue, Mr. McCleave.

Mr. McCLEAVE: Mr. Chairman, when we adjourned I was asking that a question be removed so that there would not be any inference by the fact that the question is in the record. I am informed that the show itself is telecast from Toronto and not New York.

The CHAIRMAN: Right. This morning I felt that Mr. Smith made a very astute observation when he suggested that each of the members of the committee clear through me the questions that you wish to be answered and then—

Mr. FAIRFIELD: Areas of questions.

The CHAIRMAN: Questions particularly, and we could categorize them in areas. If you can suggest an area so much the better. When these questions are cleared we will get together with Mr. Bushnell and his confreres and attempt to work out an agenda. That way we might get through these meetings some time before September.

Therefore, gentlemen, I must have your co-operation in having these questions or questions and areas sent in to me. When they are received an agenda will be prepared. Then I will give notice that the Chair is going to be very strict in keeping to the agenda.

Mr. MCGRATH: Will the agenda be distributed to the committee?

The CHAIRMAN: Yes. We have not had an opportunity yet to review the evidence taken so far. Therefore I feel we should have at least one or two meetings later to do that.

Tonight we propose that we will continue on programming, particularly on the research aspect that Dr. Fairfield introduced some two weeks ago. If we can complete the question of programming tonight, even in a half hour, we will adjourn the meeting and then get on to possible extensions of C.B.C. service or discontinuing of C.B.C. services at the next meeting.

I should also suggest, Mr. Bushnell, that any statement from you or your confreres from here in, we should have sufficient copies to distribute to the entire committee before the statement is made. I think we will save time if we do that. By way of concluding my statement I think we have plowed around enough now. We have gone here, there and all over the field, and I think we are about ready for the harvest. That is why I asked for your co-operation. I will appreciate it if I may have your questions and the areas of questioning submitted to me as soon as possible.

Thank you very much.

Mr. MCGRATH: At the last hearing, Mr. Chairman, we were promised an organizational chart of the audience research bureau.

Mr. BUSHNELL: It is here, Mr. Chairman, ready for distribution.

The CHAIRMAN: Incidentally, tonight a letter was received by Mr. O'Connor, the Clerk of the Committee, from the C.B.C., stating that there are charts,

answers and explanations relating to several questions asked at previous meetings; but I would like, if it is agreeable to the committee, to continue on audience research.

Mr. CHAMBERS: Mr. Chairman, I had a couple of questions on a subject that was raised this morning.

The CHAIRMAN: Supplementary to this morning?

Mr. CHAMBERS: If you would like me to postpone them, I think they will be brief; it was on the question of the football broadcast.

Mr. SMITH (*Calgary South*): Well—

The CHAIRMAN: Continue for just a moment.

Mr. BELL (*Saint John-Albert*): I have another from this morning.

Mr. SMITH (*Calgary South*): This is the point under consideration. I have no disagreement at all with my good friend Mr. Chambers, but in the interests of continuity I do suggest if we are going to have to go back to the supplementary questions we will spend the whole portion of this time discussing a variety of subjects.

The CHAIRMAN: Possibly that is why I have a very clean mind: I change it on occasions. Very well, we will go along with Mr. Fairfield.

Mr. CHAMBERS: On a point of order, Mr. Chairman, may I be told when these questions can be put? I find it difficult to keep the sequence. A subject was opened up this morning. I would have liked to have completed it. I am willing to go along with the committee, but when will this subject continue?

The CHAIRMAN: We can open it up as soon as we are through with the audience research.

Mr. BELL (*Saint John-Albert*): Well, why cannot we settle the questions that were asked previously?

The CHAIRMAN: Let us get down to business, please. Dr. Fairfield?

Mr. FAIRFIELD: I wonder, Mr. Chairman, if they have in their breakdown of budget for 1959 and 1960 any project expenditures for the audience research bureau for 1959 and 1960. Why I ask this is because they are just opening a Toronto office, it is just in the process of opening and is going to be enlarged, I imagine. They have a Montreal office, an Ottawa office, a headquarters, and the Toronto office is now in the process of build-up. Is the projected expenditure greater for 1959 and 1960?

Mr. BUSHNELL: Again I may appear to be avoiding the question, but actually our 1959 and 1960 estimates have not been tabled in the house and I think it would be improper of me. I can assure you that any enlargement of audience research in Toronto will be of a very, very minor nature, very limited indeed.

The CHAIRMAN: Supplementary question, Dr. Fairfield?

Mr. FAIRFIELD: Yes. In what way does audience research, since it does not distribute these pamphlets or make known information on its research sponsor—in what way does it help in the sales of programs to sponsors?

Mr. MCGRATH: May I interject here, before the witness answers Dr. Fairfield's question, in view of the fact that I have these charts, if we can perhaps have a breakdown of the organizational functions, and in that way we could perhaps follow the line of questioning.

The CHAIRMAN: Quite agreeable to you, Dr. Fairfield?

Mr. FAIRFIELD: Yes.

The CHAIRMAN: We are now on the basic organizational chart. Mr. Trainor?

Mr. TRAINOR: Mr. Chairman, I believe on Tuesday night we distributed to you the general picture on organization and functions of audience research

which I think you did have, and we left half of that for a chart to go along with it. This is a breakdown of our head office audience research.

I think probably before we go into this it might be advisable to clear up a misunderstanding that has apparently been in existence principally, I suppose, because I am not very coherent. However the committee seems to feel that audience research consists of getting rating surveys from commercial research firms. This is not so. Commercial research firms only give us quantitative data as to how programs are going on a month to month basis.

We are more concerned—I should not say more concerned—we are concerned as well with the impact of our programs on various types of audiences. We want to know what an individual thinks about, his likes and dislikes, not just in terms of whether he is watching or not, but what his reaction to the program is; and so a lot of our research is geared toward that, not on a sort of national survey basis, but on a per occasion basis.

As problems arise we try to develop special studies to try to answer those problems and at the same time gather data as to how our programs are being received.

In the organizational chart first of all there is a director's office and he is responsible to management for all research activities—that is, the audience research activities of the corporation. To help him in the administrative end of it is the assistant to the director. That is myself. I look after the administration of the head office, the coordinating of its administration with the Montreal sub-office and the Toronto sub-office and coordinating the activities of the three departments within the head office, and also our research library.

Then, under the three main divisions or departments of head office we have analysis and reports, research projects and statistics.

The function of the analysis and reports department we outlined to some extent the other night. They do a comparison analysis of rating information supplied by commercial research firms. This is done on a month to month basis. We buy research from, at the moment, three different research firms. When I say we buy research, we buy ratings on an actual basis and they show audience likes and dislikes. We compare these, analyze them and develop trends from month to month of various programs—as a matter of fact, all our programs.

This assists the production people to see from month to month how their various programs are being received by the public in terms of actual viewers delivered and it helps in publicity, information for promotional purposes. This department is also responsible for arranging with the same commercial research firms or other commercial research firms to do special studies. These special studies may be things that we have designed ourselves in terms of personal interviews or it may be just an audience count of some particular program that we want the size of audience for, that normally does not fall within the measured week of the regular service.

This sometimes comes at the request of the sponsor if he is unhappy with the program. It may come from our own sales people. It may be a non-sponsored program and they may want to find out what this program is delivering over a period so they can go to a prospective sponsor and say: "Here is the audience this particular program is getting in the various regions of the country".

I think I mentioned the preparation of printed analyses. This department also puts out a publication called "Program content analysis". This involves a study of the balance maintained by C.B.C. programming. By this I mean the Canadian content of our schedule, the Canadian originated programs as opposed to the programs originating in the U.S. or other countries, such as the United Kingdom. It also is concerned with the amount of schedule time devoted to various interests, various types of programming, drama, variety,

information and opinion programming, and so on. Also, the type of program directed toward specialized audiences, such as males, females, adults in general or children.

The CHAIRMAN: To whom is that distributed?

Mr. TRAINOR: It is distributed within the corporation. It is for management. This is done twice a year, once during the winter season or the heavy winter schedule. We take one week of the month and tabulate and analyze all programs of that week. The same thing is done for the summer.

I think I mentioned earlier, or a member of the Committee did, this audience research bulletin. The one you got the other night was a poor example in that it was not representative. It was devoted exclusively to one topic. It was designed solely to bring to the attention of all the people within the corporation the various types of commercial rating services that are available and the various types of commercial services that are required.

Mr. MCGRATH: Could I interrupt at this point? We are primarily concerned now with the organization of the audience research bureau?

Mr. TRAINOR: That is right.

Mr. MCGRATH: I just have one or two questions at this point. In this chart we have is just the nucleus of the organization of the audience research bureau.

Mr. TRAINOR: These are the departments within audience research.

Mr. MCGRATH: For example, I do not see any reference here to audience research supervisors.

Mr. TRAINOR: The head of each department here, analysis and reports, research projects and statistics, they have different titles, but they are all supervisors. The head of analysis and reports is called a supervisor, the senior research officer is head of the research projects. They would classify as audience research supervisors.

Mr. BUSHNELL: May I make a point here, Mr. Chairman? I think actually what is creating some confusion in your minds is this, that the term "audience research" is a bit of a misnomer. I think we should change it. It is not just audience research—it is research of all kinds and I should like to say now that this department, big though it may appear to be, is a consolidation of the work that was done in other departments and not done by people who were expert in research. The engineering people used to do some of their own research.

Mr. MCGRATH: Do you do engineering research in audience research?

Mr. BUSHNELL: We do some work for them, not pure engineering research, no. We do certain work for them as will come out when Mr. Richardson makes his presentation on coverage.

This research department has to find out, for example, the number of people who are at any location, the number of radio homes, a multitude of things of that nature for the engineering department. The news department comes along and says to audience research: "How are we doing on our news broadcasts? Will you find out for us?" That is handled by the research department. As I say—

The CHAIRMAN: How would they find that out, Mr. Bushnell?

Mr. BUSHNELL: They might find it out in a wide variety of ways. They would take the commercial ratings to start with, probably take a look at them and then if there seemed to be any question about it would probably contract with some outside organization to find out the kind of specific information that was wanted.

Mr. SMITH (*Calgary South*): You have not oversimplified it, have you, Mr. Bushnell? It is all related to audience reaction no matter how you look at it.

Mr. BUSHNELL: I suppose in the final analysis it is all related to people somehow or other.

Mr. FAIRFIELD: Mr. Chairman, I just want to interject here, this audience research bulletin of which I have two copies—I am one ahead of the rest of the committee—actually they are both repetitive—but in this last one which I have here on the last page, on page 9, it says:

No single technique now being used . . .

I suppose this is again in audience research—

. . . provides all the measurement data that broadcasters, researchers, sponsors, advertising agencies and others would desire.

Then that leads me to believe,—I do not know about this department of the C.B.C.,—but it leads me to believe that this audience research is a compilation of figures that they get from commercial firms.

Mr. BUSHNELL: That is just exactly what we are trying to explain to you, and perhaps doing it badly. It is only one very, very small part of the work that this research department does and we feel we have an obligation to the Canadian people to know what they are thinking and by that means to respond to their wishes as far as it is possible to do so.

Mr. CHAMBERS: Mr. Chairman, I wonder if you would let Mr. Trainor finish?

The CHAIRMAN: I am getting quite a few suggestions. May I suggest Mr. Trainor continues his statement.

Mr. McGRAH: I have just one more question.

The CHAIRMAN: May I still suggest that Mr. Trainor continues his statement. There is no reason why you cannot come back later.

Mr. McGRAH: Well, the reason I asked the question was that the statement we are having is rather difficult to follow in relation to this chart.

The CHAIRMAN: Well, just mark it down and Mr. Trainor will be finished shortly and then you can ask it.

Mr. TRAINOR: Mr. McGrath, what we have been seeing so far, since I made reference to the chart, are the functions of the analysis and reports department and various items under that department; and the same with research projects and statistics. This all so far has been directed towards those in the lower left-hand corner, analysis and reports. This is not a breakdown of the organization, it is the functions they carry out.

The CHAIRMAN: Continue, please, Mr. Trainor.

Mr. TRAINOR: I said that the audience research bulletin which Dr. Fairfield received the other night was unrepresentative in that it only dealt with one topic. Ordinarily, these monthly bulletins contain summarized or boiled down information on numerous reports that are prepared to various people in the corporation; and that is just to give them a greater distribution in a popular form, so the average people within the corporation will understand all the results of the various operations we do, plus also the results of other surveys that are done, in the United States particularly. I am thinking in terms of university research and communications. There is nothing being done in the communications field in Canada. Any research we can get our hands on, that has any relation to broadcasting, is analyzed and described briefly in the audience research bulletins so as to keep our people informed. It is merely an internal informational bulletin.

In addition to that, this same department of analysis and reports is responsible for the editing, publishing and distribution of all the reports done by C.B.C. Audience Research. Here again I am talking about our special studies. They have to look after the distribution of these throughout the corporation.

Now, I will move to the right on the chart research projects. This section has the responsibility of carrying out special studies. These studies are intended to try and find out something about the impact and effect of programs on people generally, and on various types of people for various types of programs.

We do not have 100 per cent audiences for every program, and we do not get 100 per cent the same reaction for every program. So we want to find out what types of people prefer what types of programs, and what their reactions are to all other types of programs. So we design studies.

First of all, we may get a problem from the production people concerning a certain type of program. It is not being well received, and they want to know why. We will talk it over with them and design a study. It may be a simple telephone interview which does not take very long. If it is a complicated thing it may involve a one-hour interview with each respondent, and to do this you would have to design quite a lengthy questionnaire. Then the questionnaire would be farmed out to a commercial research firm who would do the actual questioning. It is too expensive to use our own field people. When we get the answers back, we tabulate them, we design a code for them, analyze them, and write a report. This report is distributed by the analysis and reports section.

I will list a few of the reports we have done just to give you an idea of the kind of special studies we have conducted. In conjunction with the school broadcast people, we conducted a North York school study and this was designed to try and ascertain to what extent certain children's programs, one of them particularly was Junior Magazine, affected school children's reading habits. It was quite a lengthy thing and I do not intend to try and give you the results of this study here.

Another type we did was a quick, short study on the local CBO early morning program preview. We changed the morning program format here about a year and a half ago, and there was an adverse audience reaction. We designed a study to do a telephone interview of what we considered our core CBO audience to see what their reactions were to this new format. The result was of great value to the production people in some of the changes they made.

Another study which was a rather extensive one which this particular department carried out was the Farm Forum Wingham study. This was to ascertain the suitability of television as a medium for farm forum discussions. Up until then farm forums had been operating on the Farm Forum radio programs and the Federation of Agriculture and other people felt that probably television would be a good medium for the holding of farm forum discussions. However they did not want to go into this without finding out something about it first. So, a survey was carried out in Wingham which was a fairly well populated area so far as farm forums were concerned. Also it is relatively close to the Agricultural College whose help we solicited in carrying out the study. We did a series of experimental telecasts to evaluate the effectiveness of television in farm forum discussions. This helped both our own people and interested agricultural bodies to determine whether the farm forum technique could be effectively adopted to television.

I think Mr. Bushnell mentioned the other night or not so long ago about some research that was done on national hockey league hockey. This was two winters ago, I believe. At that time, in Ottawa, CBOFT was carrying the Montreal Canadiens every Saturday night and CBOT the Maple Leafs. Imperial Oil had representations made to them by some people in the area and decided we should alternate between the Maple Leafs and Canadiens on CBOT each Saturday night. This was done and there was quite a hullabaloo amongst the Ottawa viewers, at least, among the voluble ones. People who do not like things always make it known. The people who like it, do not say so much. So, do we go back to the old form or stick with what we have? We had a quick survey done and found out the majority of the people wanted

the alternating method. This sort of thing which cost us something like \$50 or \$75 saved the corporation \$5,000 alone in line charges for the remainder of the season.

We had a similar situation again in Ottawa this past winter. There were a lot of complaints about too much sport on Saturday night. We had hockey followed by wrestling. The program people thought we might possibly put on something else after hockey rather than wrestling. Their idea was to put on a movie. We did not know what the reaction would be. We polled a sample of the Ottawa population by telephone and it came back very strongly in favour of shifting from wrestling to other types of "drama". Those are just a few examples, to give you some idea of the things done by our research projects department.

The third department is the statistical department, and if any department is not strictly audience research, this is that department. They have several functions. One of the main ones is to gather statistics for stations on the network and so on.

This requires getting extensive information about the coverage of stations and networks for both radio and television. This basic data is very important in deciding upon network coverage, station line-ups, network line-ups, and establishing rates for radio and television. It includes at times estimating the coverage by number of households in connection with radio homes and television homes, the breakdown of distribution for AM networks, for FM networks, for AM stations, for FM stations, and also for television stations and networks.

It also includes market data such as the net effective buying income and the total retail sales pertaining to the service in various station areas.

Another function of this department is that of preparing elaborate analyses of basic data for the establishment of radio and television network rates. It is always a bone of contention between the affiliates and the corporation as to how to establish rates.

As a result you have to do special detailed tables for practically all television stations in Canada in order to help our people who are in discussions concerning rate settings.

In addition, this department conducts quite a few economic studies. For example, there may be studies undertaken of advertising expenditures, for which they get basic data from the Dominion Bureau of Statistics. It includes the assembly of factual data, the assembly of information obtained from the United States and Canada, and also a table of gross advertising expenses as compared to television advertising expenses.

In this same field this department undertakes from time to time to prepare program cost studies for the comptroller and controller of operations. This involves the preparation of estimated potential audience and the estimated actual audience delivered in television homes for all C.B.C. programs on the English and French networks.

This provides management with the necessary basic data required for a study of the production costs of regularly scheduled programs.

The object here is to examine the relationship of these costs to estimated potential audiences, and to estimated average actual audience to get some idea of the cost differential between the various program efforts.

Data in connection with actual audiences is prepared in the second and fourth quarters of each fiscal year. That, gentlemen, is, in brief, an outline of the functions of these three departments.

The CHAIRMAN: Before we come to the questioning I would like to ask Dr. Fairfield to start off. But before that I believe Mr. Bushnell has a few supplementary remarks to make about this.

Mr. BUSHNELL: Yes. I think it was asked if any of this information was available to sponsors. Probably I gave the wrong impression in my answer. I can give you an illustration of one program which started last autumn. I shall not name it. But for the first three shows we found that our format—at least we were told by the viewers that the format was wrong and that they did not like it. So we got our audience research department to make a study to find out why.

It did not take them long to find out, and we changed it accordingly. Since then the audience for that program has gone up in an almost straight curve.

I think I could sum it up by saying that part of the difficulty has been, as I said, because this department was called audience research while in fact it was far more than that.

There is one other thing which Mr.—

Mr. BELL (Carleton): Mr. Trainor.

Mr. BUSHNELL: —yes, Mr. Trainor. We have so many employees I cannot remember all their names.

Mr. SMITH (Calgary South): We have noticed that too.

Mr. BUSHNELL: It is just a sign of old age, Mr. Smith.

But one other thing we have done and which we shall continue to do is some pre-testing of programs. We have brought in outside organizations, let us say, to test audience reaction. We will assemble, it may be, four or five hundred people in an audience to make as good a cross-section of the community as we can, and we will reproduce a program, probably by kinescope, in order to get their reaction to it. If their reaction is not reasonably good, then obviously we won't spend money on it. That is another thing.

I think I could sum it up this way, and I am very glad to have had an opportunity to say this. I think this probably dispels to some extent, a certain feeling that the C.B.C. is unresponsive to the wishes of its audience. Let me assure you that that certainly is not the case. We are not omnipotent. We are not infallible. We do make mistakes, and when we find it out, we have people to help us correct them. We see to it that the information gets right down to where it should go, and that is to the supervisor, to the producer's level, and to the program director's level, and we see to it that something is done about it.

Mr. FAIRFIELD: Mr. Trainor said something about program analyses. Does this mean a preview of a program which may be put on?

Mr. TRAINOR: I was talking about program content analysis. This is an analysis of the content of all the programs to be put on in a given season. We do a one-week's cross-section. We do not do the whole season because it would be too big a job.

Mr. FAIRFIELD: You have nothing to do with previewing the program?

Mr. TRAINOR: Before they go on the air, you mean?

Mr. FAIRFIELD: Yes.

Mr. TRAINOR: Oh no, no.

Mr. BUSHNELL: I do not want to let this go by without saying that we have done pre-testing, if you like, or you could call it previewing, if you prefer.

Mr. BELL (Carleton): To learn what the reaction would be to a particular type of program?

Mr. BUSHNELL: Not only to learn what the reaction would be, but to ascertain what the reaction of the performers in the program would be to the type of performance. We have sifted things right down to find out, in pre-testing. For example, a very charming young lady might have sung a certain type of song and the audience reaction was not good; it was negative, because it was not her type of song at all.

The CHAIRMAN: How do you do a kinescope test? Do you have test cities or what?

Mr. BUSHNELL: Yes, actually we have done that, just to find out whether Torontonians were a little different from Winnipeggers. We actually engaged an outside firm to conduct some tests in both cities, with respect to two or three specific programs of various types. We found that there was not too much difference. The tests were pretty much the same in both places, and that the reaction of the various observers actually to the songs that were sung, and their facial expressions—a dozen different things came into it—were pretty much the same.

The CHAIRMAN: You mean that Canadians are Canadians no matter where they live?

Mr. MCGRATH: What is the strength of your audience research bureau in terms of personnel?

Mr. TRAINOR: Thirty-nine people.

Mr. MCGRATH: Are they all at Ottawa?

Mr. TRAINOR: That figure covers the head office at Ottawa. Then, there are seven in Toronto, and eight in Montreal, as of this date.

This head office serves the whole corporation apart from a few people doing a small amount for production centres in Montreal and Toronto.

Mr. McCLEAVE: I have two questions. Have you not, in the past, carried out special diary type surveys in certain cities? I think one was carried out in Halifax.

Mr. TRAINOR: Yes.

Mr. McCLEAVE: Is that done on a regular basis?

Mr. BUSHNELL: No, that was a very special case, and I will tell you why it was done. We carried out a survey before the establishment of a TV station in Halifax. We wanted to know what people's reactions were, if you like, to radio; and then we wanted to know what difference television had made in their listening habits. That was the purpose of that; and we found out.

Mr. McCLEAVE: Do you plan to use that technique again?

Mr. BUSHNELL: As far as the C.B.C. is concerned, we do not expect to have to have many new stations, in the future, and we will not have to do it. It will be up to the private stations to do that.

Mr. McCLEAVE: The other day I made some suggestion, or asked some questions about a possible hook-up with the dominion bureau of statistics, and I think that was going to be looked into. I suppose there has not been enough time to do that?

Mr. TRAINOR: I hope I can give a satisfactory answer, but perhaps it is not complete. We have not been in touch with D.B.S. I am not too sure what you were asking for. I will give you a brief run-down on the sort of relationship we have with D.B.S. First of all, the D.B.S. is not set up to give the sort of rating surveys we buy on a month to month basis. We do not know why they do not do this, but I would suspect if they did they would have to give it to everybody, as a public service.

So far as special surveys are concerned, one of the chief reasons is that D.B.S. surveys are much larger surveys; they are mammoth things compared to what we do. They use a sample of 35,000; and if we want the field work done for a survey we cannot pop in today and say, "We want a survey done next week". If we did that it would disrupt their whole organization.

You probably know more about their surveys than I do; but their surveys are confined to the collection of basic data. We make some use of that. We do not re-compute their data, but we apply it to our various needs.

The CHAIRMAN: I think that answers your question.

Mr. McCLEAVE: I just wanted to establish there would be no point in the C.B.C. having the D.B.S. to do it, because they do not deal in the particular matters of taste.

Mr. SMITH (*Calgary South*): I would like to ask Mr. Trainor a question—and I am sure you will tell me if this has been asked at a previous meeting. I would like to ask Mr. Trainor if he can give me the over-all cost of this operation.

Mr. TRAINOR: That is audience research. I think the total figures were tabled a week ago.

The CHAIRMAN: They were.

Mr. TRAINOR: Do you wish me to give them again?

Mr. SMITH (*Calgary South*): No, I can look them up.

I would like to ask you, or, Mr. Bushnell, if he can give us, very briefly, the history on which the corporation decided it was necessary to depart from using other facilities that were available to them, perhaps, on a more limited basis. You must have come to a rather major policy decision in deciding you could do this job through an arm of your department better than someone else. The question of cost was all I was interested in, because this question of duplication, I think, is an important one. Can you give us briefly that history?

Mr. BUSHNELL: Yes, it was decided for two reasons. I think, if you look at page 140 of the Fowler commission report, "Research in Broadcasting", that will give you part of the answer. I do not wish to read it now.

The second is that for the type of research we wanted, in all its ramifications—as I have tried to explain—we did not know of any organization qualified to do that, or which was prepared to take it on at any lesser cost than we could do it ourselves.

I would like to re-state that this was a consolidation. There has not been any really tremendous expansion, or any great extra cost, because these things were being done by other people in other departments, and they were transferred to this research department, and the additions have been, actually, the so-called top people and experts we have brought in to give direction to the other people who were doing the work.

Mr. SMITH (*Calgary South*): Has there been any consideration given, through the chair, by either the new board of directors or the former group, or any of your financial advisers to making a re-assessment of this entire picture, to determine that for the \$273,000 you were getting exactly what you wished to receive, and that you were not creating a creature which might become out of proportion, in its cost, to its usefulness to you?

Mr. BUSHNELL: Mr. Chairman, yes, this was looked at very carefully by our previous board of governors; and any expansion that has taken place has certainly been done with their approval.

I think I must be perfectly fair to our new board of directors. Probably they have not had time to look at all the various departments that we have, spending departments. But I think I could promise you that if they look at this particular department with the same keen eye that they have at others, probably the next time we meet in a parliamentary session I will be able to give you an answer to it.

The CHAIRMAN: Any further questions?

Mr. SMITH (*Calgary South*): "Empire building" is a nasty phrase, and I do not wish to use it irresponsibly, but you are quite certain that you have not built something which produces a reaction—and, unquestionably, you have to have it,—but you are certain in your own mind this could not be done by other comparable bodies for a portion of this total cost?

Mr. BUSHNELL: Mr. Smith, again—and, on reading the testimony I find probably some of my rather lighter remarks do not look as well in print as they might sound—

Mr. SMITH (*Calgary South*): We all suffer from that.

Mr. BUSHNELL: I was going to say, I am certain of nothing but death and taxes.

Mr. SMITH (*Calgary South*): That is your answer?

The CHAIRMAN: That is a fair observation. Dr. Fairfield?

Mr. FAIRFIELD: I am rather interested in the statement that Mr. Trainor made, that they have to find out the impact of programs in order to carry on these researches that they do. They get those surveys from commercial companies, though, mainly.

Mr. TRAINOR: I think there is still some confusion about this. The thing we buy on a normal basis, a month to month basis, from commercial research firms, does not give audience reaction, but only the total number of people watching various programs. For our special studies, we design a questionnaire and ask for audience likes or dislikes, the ones they like a lot, the ones they like a little, or the ones they do not like. We ask this sort of thing to find out what sort of people like what sort of program.

Mr. FAIRFIELD: Could we have a sample of, say, the last three questionnaires that were sent out? We do not need to ask for the names of the programs.

Mr. TRAINOR: We can provide samples of the type of thing we do, yes. The special studies are a qualitative type of study rather than quantitative. This is why we have to use the questionnaire rather than just "are you listening" or, "are you watching"?

Mr. BUSHNELL: I do not know whether Mr. Smith had an opportunity of looking up the Fowler report, at page 140, and it would only take a minute to read it:

Parallel to public relations is the field of research. If broadcasting is to thrive and give the nation the full measure of its potential of good, it needs the assistance of research as much as do science or industry. By research in broadcasting, we do not mean the kind that leads to technological advance and which is well handled by the electronics industry. Neither do we mean research in program popularity—the so-called audience rating polls—whose standards of value, resting on quantitative soundings, are directed mainly at the sale of services or products in the largest possible market. By research, we mean deep delving into the influence of broadcasting on human society, the measurement of the psychological impact of various types of spectacles on adult minds, on children, on the literate and the illiterate, indeed on the great variety of individuals of differing degrees of emotional and intellectual development that compose a nation. This type of study and investigation has recently been started by the C.B.C. through its bureau of audience research. Some interesting results have already been obtained but those in charge of the undertaking would be the first to admit that neither has there been adequate proof of the validity of the methods adopted nor has the research yet been extended over a sufficiently wide area. It is, at the moment, no more than a promising beginning.

The CHAIRMAN: Thank you, Mr. Bushnell.

Mr. CHAMBERS: I may have misunderstood something. It seemed to me, however, that between the analysis and reports division and the research projects division there was a considerable—I do not know that overlapping is the word—integration. I notice that the analysis division buys, interprets

and distributes reports. These would be quantitative reports. The research projects division designs special studies, analyses them and these studies are distributed by the analysis and reports division.

Mr. TRAINOR: The analysis and reports department is responsible for distribution of all things emanating from the audience research. That is the clearing house.

Mr. CHAMBERS: The special studies are analysed?

Mr. TRAINOR: They are analysed and studied by the research projects department and handed to the analysis and reports for study, tidying up, duplication and distribution.

Mr. CHAMBERS: These two bodies then are quite integrated?

Mr. TRAINOR: Yes.

The CHAIRMAN: Gentlemen, are there any further questions on audience research?

Mr. FAIRFIELD: Yes. I was very interested in one of the remarks in this bulletin here where it states that from time to time the department—that is the statistics department—is called upon to do intensive research in various methods of setting rates and to assist and advise the assistant controller of broadcasting in setting up the rate structure. On what information do they base that?

Mr. TRAINOR: They give the controller an analysis of the figures, some of which have been given by commercial firms. Again I am endeavouring to be very brief. There is a problem. Let us take, for instance, western Ontario where there is duplicate coverage between, let us say, London, Kitchener, Hamilton and Toronto. Now then, it is the job of our research department to try to determine through the statistics we receive from other organizations what proportion of the available audience is viewing any one of those stations, because rates in advertising are set on circulation. Newspaper rates also are set on circulation. I should say advertising rates generally are set on circulation. This is just one method. It may not be the best one—and some of our affiliates do not agree with us entirely—for trying to determine the proportion, if you like, of an audience in any given area.

Now again, in an island—in an island market—we take the figures of these research organizations. We assemble them. Then let us take a station anywhere in the prairies which comes along and says, "Look, Mr. C.B.C., I have 350,000 or 400,000 viewers." We say, "Wait a minute now; that is not what our research indicates. Actually, there might be in your area 350,000 or 400,000, but you are computing that on the basis of your C contour and fringe areas." We have to know these things in order to say to our affiliated stations, "Look here, you just cannot put these rates too high or we will price ourselves out of the market."

Mr. FAIRFIELD: Mr. Chairman, this is what I want to get. In a captive audience like Winnipeg naturally the commercial report is 100 per cent; but your group does not carry on active surveys, and how then are you going to find out the impact of programs in a captive audience if you do not carry on surveys yourself independent of the commercial surveys?

Mr. TRAINOR: We are fully aware of this. However, to do this type of survey and cover the whole Dominion of Canada is just too darned expensive. We share the cost of all those regular surveys such as Elliott-Haynes, International Surveys and Nielsen's. We are not the only buyers; there are also the advertising agencies and so on. This is an expensive proportion. It is just too big an undertaking.

Mr. FAIRFIELD: But, Mr. Chairman, what is the use of the research department in western Canada where you have a captive audience in Regina, Winnipeg, Saskatoon and so on. The figures you get from commercial firms there are of no research value to you in setting a rate structure in those areas.

Mr. TRAINOR: We do not set the rate structure on the basis of the audience ratings we get. Rates are set on coverage figures which are an entirely different thing. It is based on the number of T.V. homes in the reception area of the station. This is laid down by the engineering people as reception area A, reception area B and reception area C. Then you take the demographic data which you get from D.B.S. as to the number of sets and sales in that area and apply that to it. I am not, quite frankly, qualified to tell you how we set rates. However, I do have a general idea. It is not based on ratings; not at all.

The CHAIRMAN: Are there any other questions, Dr. Fairfield. If not, Mr. Johnson is next, followed by Mr. Smith.

Mr. JOHNSON: Does your department conduct surveys of ratings on a particular program? What I mean to say is this. I want to know, in certain cases of so-called cultural programs and panel discussions, do you conduct surveys on the ratings of these programs?

Mr. TRAINOR: We do not. We may order it and buy it.

Mr. JOHNSON: Do you hire commercial companies?

Mr. TRAINOR: That is right.

Mr. JOHNSON: To make these surveys?

Mr. TRAINOR: Yes.

Mr. JOHNSON: Do they report on cultural programs or do they do it only in respect of programs which have a sponsor?

Mr. TRAINOR: These commercial firms measure all the programs in one week of every month, both commercial and sustaining programs, everything on the air, including not only our shows but those of our competitors as well.

Mr. JOHNSON: Do they report on the ratings of those?

Mr. TRAINOR: Yes, they furnish a complete report for all stations.

Mr. JOHNSON: They report to the audience research department.

Mr. TRAINOR: They submit a report to us and to the other people who may subscribe to the report as well.

Mr. SMITH (Calgary South): At an earlier meeting which I have been able to locate in the evidence, we carried on an interesting exchange which, from my standpoint, was unsatisfactory. We had objectives placed before the committee as to what the corporation was endeavouring to achieve. Mr. Jennings read these to us. Perhaps you will recall I asked you whether or not you felt that your surveys, whether quantitative or qualitative, were in any way indicating that you were achieving these objectives. Then I suggested to you that perhaps the only way you could determine this was by taking an area where there was a competitive aspect, whether in television or in radio, to determine whether or not your programs were reaching listening audiences, and I asked if there were any comparative figures. I realize that this research bureau carries on research within its organization of its own programs. I think your answer was no, that in those areas such as Toronto you had not made any comparative checks between the television station operated by the corporation and a private broadcaster. First of all, am I correct in that assumption.

Mr. TRAINOR: If I gave you this type of answer, Mr. Smith, probably I was misleading you through my own ignorance.

Mr. SMITH (*Calgary South*): Would you clarify it now then.

Mr. TRAINOR: So far as doing research to ascertain whether we are obtaining our objectives, I understand you to mean: are we doing qualitative research on a national basis. We do not do it on a national basis. So far as reaching objectives on individual programs is concerned, we are doing research as time goes on. We do not take one program or one week and do it for the whole country.

Mr. SMITH (*Calgary South*): Let me be completely specific. In Toronto you are competing with private broadcasting and also with American network stations. You are spending, of course, as we would expect, a great deal of money in order to encourage Canadian audiences to listen or view your particular programs. Have you anything in the way of research to give assessment as to whether or not, comparatively speaking, you are improving your rating, whether or not these objectives which Mr. Jennings read into the evidence are being accomplished or whether or not you are losing or gaining ground. Is there any way in which you can give any comparison to show what direction you are going?

Mr. BUSHNELL: May I answer that question, Mr. Chairman.

The CHAIRMAN: Proceed.

Mr. BUSHNELL: I can answer your question properly by taking an illustration. Let me take Vancouver, where there is no question about competition. We know when we are putting on let us say Citizens Forum or indeed maybe Press Conference, that there are a great many viewers who switch to Seattle or Bellingham. The same thing happens in Toronto. In Toronto we are faced with an equally difficult problem because there is very keen competition coming from the Buffalo stations, as well as from Hamilton and from Barrie in some areas.

Now, we take the figures we get from a research organization such as Elliott-Haynes and take a look at them. We find at a certain time, probably during some of the cultural programs, or programs we think have a proper place in our schedule, that the Buffalo station is putting on a western. Now, where do you think the audience goes?

Nevertheless, Mr. Smith, we will never be satisfied until we get 100 per cent of the audience; but that will never be possible for any broadcasting organization as long as there is competition.

Mr. SMITH (*Calgary South*): I appreciate that, and you are presupposing that I am being critical.

Mr. BUSHNELL: No, on the contrary I think you are realistic.

Mr. SMITH (*Calgary South*): First of all, you say surveys have been made.

Mr. BUSHNELL: Yes.

Mr. SMITH (*Calgary South*): Would you tell me what they disclose in a given area, say Toronto?

Mr. BUSHNELL: I do not think it would be very difficult to find that out. I think we could take a week or a month of any one of the ratings and we would find out very quickly.

Mr. SMITH (*Calgary South*): Would that not be interesting to have?

Mr. BELL (*Carleton*): Could we have that on the record?

The CHAIRMAN: Dr. Fairfield, you have with you an Elliott-Haynes report for which week?

Mr. FAIRFIELD: April, 1959.

Mr. SMITH (*Calgary South*): With all due deference, Mr. Chairman—

The CHAIRMAN: I was going to suggest he hand it to the head table and Mr. Bushnell can put it on the record.

Mr. SMITH (*Calgary South*): If he would, I would like Mr. Bushnell to submit any other surveys he may make.

The CHAIRMAN: That is agreeable to the chair.

Mr. BUSHNELL: Again, I am caught by the fact that these survey organizations simply say to us, "This is confidential information". If that—

Mr. SMITH (*Calgary South*): We have their report here.

Mr. BUSHNELL: I know. According to our agreement with these people, we are not allowed to do that. I will go back and ask them if they have any objection.

The CHAIRMAN: Would you like to read that into the evidence, Mr. Smith?

Mr. SMITH (*Calgary South*): I would like to ask, Mr. Chairman, if it is possible to obtain this, if Mr. Bushnell would inquire.

The CHAIRMAN: The C.B.C. would have to obtain permission from the audience research group from whom they purchase this. Is there any particular time that you wish?

Mr. SMITH (*Calgary South*): It matters not. I would say, for a current week.

Mr. BUSHNELL: One week is as good as another.

The CHAIRMAN: Do you want it for Toronto only or the eight major markets of Canada?

Mr. SMITH (*Calgary South*): For the eight major markets of Canada, if it is possible—in particular, Vancouver and Toronto.

Mr. CHAMBERS: Mr. Chairman, Mr. Smith was asking if any trend appeared in these cultural programs.

Mr. BUSHNELL: Very definitely. I gave you an indication with Folio last night, where the audience had increased by 100 per cent.

Mr. MCGRATH: Do the United States networks provide comparable surveys for their own respective organizations, with regard to audience research?

Mr. BUSHNELL: Yes; I think—Mr. Trainor can correct me—there are about five different research organizations, commercial firms, doing it in the States. Some of their methods are different. But I see the point of your question. Are you asking, does the C.B.S. retain its own?

Mr. MCGRATH: Exactly.

Mr. BUSHNELL: Yes, they certainly do—and a much larger one than ours. Actually, we have gone to C.B.S. and N.B.C., who are the experts in the field, and sought their advice. We have also gone, as a matter of fact, to the research departments of advertising agencies. I am not going to name it, but there is one very large one that has more people in its research department, certainly, than we have: and that is on just one agency.

Mr. SIMPSON: Mr. Chairman, Mr. Bushnell mentioned that rates were based on coverage, and earlier he mentioned that prior to the advent of television in the maritimes, the audience research department had conducted a survey.

Mr. BUSHNELL: I am sorry; I cannot hear you.

Mr. SIMPSON: Prior to the advent of television in the maritimes, the audience research department had conducted a survey into the likes and dislikes of the people in the maritimes.

Mr. BUSHNELL: In Halifax.

Mr. SIMPSON: In Halifax. I would be very interested to know if enough progress has been made in the plans of the corporation at this time that they might be considering having the same type of survey from the audience research department, in northern Manitoba.

The CHAIRMAN: We are getting into extensions.

Mr. BUSHNELL: I am sure you would.

Mr. SIMPSON: Very interested.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I wish to put a question to Mr. Trainor. He said just now that one bases oneself on the inquiries made by the research committee for commercial, sponsored and sustaining programs. Is it on this inquiry bureau that one bases oneself to keep programs on the network which, for instance, have been going on for 12, 15 or 20 years? I will give you a precise example, *Un homme et son péché*.

Mr. BUSHNELL: If I may answer that in a little different way, Mr. Tremblay. I do not know that it is because of the research that has been done on it, but I think if we had not kept it on so long—if we had dropped it, let us say, five years ago—a lot of us would not be in our present jobs. It was one of the most popular programs that we had.

We knew it had a very large rating, a very large listening body—family listening. A great many people enjoyed it—not everybody, I dare say; but if they enjoyed it, why should we take it off, if it ran for 50 years?

Mr. TREMBLAY: If I may ask a supplementary one.

The CHAIRMAN: We are getting into individual programs again, Mr. Tremblay.

Mr. KUCHEREPA: Dr. Fairfield has made inquiries regarding the value of audience research for setting commercial rates. I would like to ask a question, and I would like to know if my assumption is correct. In view of the results of the audience research work in studying the details and correlating all these factors which come from outside agencies, in the final determination is the result of all these studies such that we find our so-called western programs, and programs such as *Have gun, will travel*, are now more popular and are taking their place, as a result of these studies on our stations?

Mr. BUSHNELL: Not necessarily so, Doctor.

Mr. JOHNSON: Coming back to rating, Mr. Trainor, Mr. Bushnell, I would like to have, if possible, the names of the commercial companies and the amounts paid to them since 1954: these companies who have conducted rating services for C.B.C. I want, particularly, this information on programs originating from CBMT, Montreal, and, most particularly, the programs originating from CBFT, Montreal.

The CHAIRMAN: Could you give that?

Mr. JOHNSON: The name of the company and the number of programs surveyed.

The CHAIRMAN: Will the total number of dollars be sufficient? We are trying to keep away from names and individuals on programs.

Mr. JOHNSON: I would like to have the names of the companies.

The CHAIRMAN: Again, I must rule against you. We have been avoiding that.

Mr. TREMBLAY: On a point of order, Mr. Chairman—

Mr. JOHNSON: On a point of order—

The CHAIRMAN: On a point of order, Mr. Tremblay.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I think that we are becoming somewhat over-scrupulous on this question of personalities. When we have an example such as the one I just gave, by choosing a very popular program, on the contrary, you do have a certain popular feeling running through the public. We can take this type of example to illustrate what we mean, and I think we are going too far on this question of personalities.

When we take an example, we are not making a trial out of it; it is just an allusion to a fact. Let us distinguish between facts and personalities. I asked just now, what are the criteria on which we are to base ourselves, to arrive at what we know as ratings?

The CHAIRMAN: Mr. Johnson, you want to speak to a point of order.

Mr. JOHNSON: Still speaking on this point of order. I just learned from my colleagues here that the names of the companies for last year are already on record, so I wondered why the chairman would rule out this year's.

The CHAIRMAN: I will tell you why, and I will speak on the point of order too.

We are going to try and get through this committee's work some time before the house prorogues. I should like to put in a report from this committee this Session. I asked for the cooperation of each member of the committee to keep out personalities, names, individuals, programs. I feel that Mr. Tremblay—and he is intelligent enough to do this—

Mr. TREMBLAY: Thank you.

The CHAIRMAN: —without any doubt. I feel he could get the same information if he changed his question just a wee bit—un petit peu—and I will still rule as I ruled at first, to help this committee complete the tabling of evidence. We are going to keep out personalities; we are going to keep out, names of individual programs; we are going to keep out, from here in, anything that is of a personal nature: it is the only chance we have of concluding our works. That is the ruling of the Chair, and that is the way it is going to be. Is that satisfactory?

Mr. SMITH (*Calgary South*): Mr. Bushnell, you were kind enough to say that you would inquire whether you could obtain the surveys that have been made in relation to C.B.C.'s competitive position with the private broadcaster and, where possible, in relation to the American station, when it is a competing fact. But may I ask you if you have initiated some of these surveys yourself: have you asked for them otherwise? Were they done purely by Elliott-Haynes and these others, or have you asked for them?"

Mr. BUSHNELL: I think the answer, Mr. Smith, is this, that we ourselves have not done that in the past, but have relied on the ratings that have been supplied by Elliott-Haynes and others. But at the moment we are contemplating, and certainly we expect to get this rolling—if I may put it that way. I am informed, indeed, that it is under way. We ourselves will take a look at that, in a highly competitive situation.

Mr. SMITH (*Calgary South*): This is the point that is concerning me, and I relate it to costs and I will not become out of order in mentioning costs, Mr. Chairman. Surely in these past years you must have been concerned as to what your competitive position has been? You say you have relied on Elliott-Haynes; yet, on the other hand, you have developed a fairly large research organization to take over part of the responsibility that this one body could provide. Is it not—and I offer this as a fair question—perhaps a little late to be thinking now about what your competitive position is with private organizations and United States stations?

Mr. BUSHNELL: I could not go along with you there. I think we are always striving to improve what we have done in the past, and we feel that this is one way of doing it. Maybe we are right; maybe we are wrong.

Mr. SMITH (*Calgary South*): But in the past, you have not?

Mr. BUSHNELL: No.

Mr. BRASSARD (*Lapointe*) (*Interpretation*): Well, Mr. Chairman, I heard Mr. Tremblay but I do not know if I fully understand or grasp what he has to say. But I want to put this following general question: The C.B.C. puts

on the television and radio some programs which are of doubtful taste for French taste. Quite often I wonder if there are similar programs on the English network, and I wonder if the C.B.C., instead of taking account of the very large number of viewers, should not try rather to educate the public in this field.

Mr. BUSHNELL: Well, if I may answer that, sir, my answer to the first part of the question is that I could not deny it. Some people would think that some of the programs we have put on the air are not entirely educational or informative, and some have even thought—and actually they have been quite right—that they were not in the best of taste. But may I venture to say this: That really you cannot force anyone to be educated; and if we tried to put on all programs with an educational message, I doubt actually if we would have too big an audience. May I suggest this again: I do not know that every gentleman in this room would like to sit, let us say three or four hours every night to look at programs of an educational nature. I know that I would not, myself.

Mr. OUIMET: May I supplement Mr. Bushnell's answer by saying this to Mr. Brassard: that it is not our prime purpose to educate. But statistics have shown us that such programs as Folio and L'Heure de Concert have tripled their audience over the last three or four years, and that is enough encouragement for us to feel that Canadian people are intelligent enough to appreciate good music, good drama, and generally good fare.

Mr. BRASSARD (Lapointe): One of my questions has not been answered in regard to the English programs. I wonder if there are similar programs on the English channels to what we have on the French channels?

Mr. FAIRFIELD: Mr. Trainor said once that the expense of carrying on audience research services themselves would be far above the budget of this department. I know he said before that these commercial outfits like Elliott-Haynes have their set-ups, but surely they pay the same amounts to their researchers; and they are not losing money on what they charge this department. Yet the information so far as impacts in western Canada are concerned, where you have a captive audience and you depend entirely, you say, or a great deal on these commercial reports particularly from western Canada—how then can you say that this has any effect on your research department insofar as setting the rate structure and the type of program which you would put on for western Canada consumption? How much more would it cost you to run your own service?

The CHAIRMAN: Have you any idea about that?

Mr. BUSHNELL: Before Mr. Trainor answers, may I infer, Dr. Fairfield, that you are suggesting that instead of using these organizations, we should set up a nationwide survey research organization of our own?

Mr. FAIRFIELD: I wondered how much more it would cost.

Mr. BUSHNELL: Oh, I would not know.

Mr. TRAINOR: I could answer that in part, probably in a back-handed way. About a year and a half or two years ago the Canadian advertising research foundation set up a committee to study the measurement of services that were being provided at that time for the broadcast media. I would say that there was a lot of discord as to which was the best service and which was the adequate service.

This committee was charged with the responsibility of finding an answer, and after surveying the people who used this service, and the advertising agencies and the broadcasters and trying to decide on some one service which would meet the need of all three groups, they worked on this—and remember this was a committee made up of broadcasters, advertisers, and advertising agencies—they came up with a quite extensive report which they turned in to the Canadian advertising research foundation, and the research foundation recommended that this is the sort of thing which would give us the service that these people want. But nobody has adopted it and the C.A.R.F. has just dropped it. It was too expensive. Something like \$25 million—I am not sure—would be required to do this, to give people what they think they need.

Mr. FAIRFIELD: Would it be just a numerical type of survey?

Mr. TRAINOR: No, not necessarily; it would mean getting into all the facets, not just the counting of noses. All these people operating now just count noses of the people who have their sets on. The advertising agencies want to know just as badly as we do what the effect is.

Mr. FAIRFIELD: How do you measure the impact of programs in western Canada where they have no other programs to watch, if you are depending entirely on these reports which would say that the listening audience is 100 per cent?

Mr. BUSHNELL: Well, there is one criterion and it is this: you can take those figures and relate them, program by program. You cannot determine whether it is because a certain number, or a greater number, of people go out on Friday nights than on Tuesday nights. That may be one of the criteria. But it may also be that your audience has dropped. Let us take Sudbury as an illustration.

The average audience there for programs—and this is in a very isolated position—the average number of homes viewing is in the vicinity of 18,000. But on some programs you will find there are only 14,000. On one particular show which is particularly popular and which is over a weekend, you will find however that there are 20,000. We use material that way. We would certainly like to know—you mentioned the word impact—and we would certainly like to know what impact our programs have. Would you agree that what you really mean is appreciation?

Mr. FAIRFIELD: Yes.

Mr. BUSHNELL: Appreciation; well, I can tell you another way that we know of, and we do not need a research organization at all to tell us. If we do something badly, we get criticized in the press and we get thousands of letters.

Mr. McCLEAVE: And there are questions asked in parliament.

Mr. BUSHNELL: Yes, questions are asked in parliament too.

Mr. CHAMBERS: I believe it was mentioned the other day that this information obtained by the audience research bureau is not made available to the sponsors.

Mr. BUSHNELL: Possibly I caused that by saying: let me take an illustration of one particular program that I gave earlier. Certainly that information was made available to sponsors.

Mr. TRAINOR: May I clear up something with Mr Chambers?

The CHAIRMAN: Yes.

Mr. TRAINOR: The type of research that we normally do, the special studies and all that we do in our division must have some bearing on the sponsors. It is not just handed to them automatically. This information that we get from the commercial houses on a commercial basis—the sponsors buy this as well; and when our commercial sales drop, we go in to see the sponsor and he has got the books there too.

Mr. CHAMBERS: Do your contracts with these audience research groups prevent you from passing on this information to your sponsors?

Mr. TRAINOR: Only to our clients; not passing it on to them, but using the information in discussions with our clients. Invariably, he is a client as well.

Mr. BUSHNELL: I suppose it could be construed, inasmuch as the parliament of Canada is voting a very large sum of money to keep us in business, that parliament is a client, and we pass that information along.

The CHAIRMAN: You are going to find that out.

Mr. TREMBLAY: Mr. Chairman, if I may, I would like to put a question to this quite abstract thing, the C.B.C.

On what criteria does the C.B.C. base its ratings of the research audience bureau?

The CHAIRMAN: I think that has been explained. They buy their audience ratings from any one of four different commercial sources.

Mr. TREMBLAY: No, that is not the meaning of my question, Mr. Chairman, I am very sorry. I directed my question to Mr. Bushnell.

Mr. TREMBLAY (*Interpretation*): I wish to put the question to Mr. Bushnell or Mr. Trainor. Can you tell us what are the criteria which enable you to evaluate the popularity status of certain programs? Do you base yourself exclusively on public taste, or on certain lines of policy in C.B.C. programming?

Mr. BUSHNELL: Both.

The CHAIRMAN: Do you wish to supplement that, Mr. Tremblay?

Mr. TREMBLAY (*Interpretation*): In what proportion?

The CHAIRMAN: That is a very hard one to answer.

Mr. BUSHNELL: I will try to answer it. We are just human beings, and we try to use our best judgment. We think we are people of experience. We know—we think we know, within a reasonable degree of accuracy, what public taste is. And what other criteria you could use, other than that, I am afraid I do not know.

The CHAIRMAN: Mr. McIntosh, followed by Mr. McGrath.

Mr. MCINTOSH: I just wondered what is the actual value of these surveys. There seems to be a difference of opinion in the answers that we have received. In your reply to Dr. Fairfield, when he asked you about western programs, if you use the statistics you had given in relation to the number of western programs, it would show you said no.

Mr. BUSHNELL: Let me clear that up. Let us take any one of these western programs. There are three or four of them, so-called "westerns", and I am not talking about programs which originate in western Canada, but about ones which are imported on film. I do not want to offend anybody. It is quite astonishing as to the varying degree of appreciation of these programs in certain areas, and in relation to other programs.

I think I gave a very good illustration the other night, where "Folio" had actually a larger audience in the city of Sudbury than—I was going to say "any one of the westerns", but I think, two out of three. Now, you know of—

Mr. MCGRATH: The total or per capita audience?

Mr. BUSHNELL: What do you mean by "per capita audience", Mr. McGrath?

Mr. MCGRATH: You said the city of Sudbury had the largest audience for a particular "Folio" show of any other western city.

Mr. BUSHNELL: No, no—western program.

Mr. MCGRATH: I beg your pardon.

Mr. BUSHNELL: You know, Gunsmoke, Have Gun Will Travel.

Mr. MCGRATH: I am sorry; I completely misunderstood you.

The CHAIRMAN: It is getting a little late.

Mr. MCGRATH: It is.

Mr. MCINTOSH: I have a supplementary question to ask, Mr. Chairman, if you have finished answering, Mr. Bushnell.

Mr. BUSHNELL: It varies from place to place. Again, it depends in some cases on the competition situation. It may well be, let us say, that in the city of Toronto we are playing, let us say Gunsmoke, and the Buffalo station, or any one of the three Buffalo stations, might be carrying or transmitting a very good comedy program.

It does not happen every time, but some people like comedy more than they like westerns, and they will switch to the Buffalo station. Those ratings that we get indicate that kind of a trend.

Here is another thing that happens: a year ago we found that we were in a highly competitive position with the Buffalo station in the time-slot in which we were putting on, we thought, a very good program of an entertaining calibre. The sponsor required us to change the time so that he could get out of that competitive position. That was indicated clearly by the switch of the audience from CBLT in Toronto, say, from 9:30 to 10:00, at 10:00 to WGR in Buffalo. That is how these things are very useful.

The CHAIRMAN: Mr. McIntosh?

Mr. MCINTOSH: I wonder if Mr. Bushnell could tell us how long they allow these programs to continue, when they find from surveys their audience reception is falling off; or how far does it have to continue to drop before you will discontinue a program?

Mr. BUSHNELL: That, again, is a difficult question to answer. Supposing we have made a wrong guess, and we have sold a program to a sponsor, let us say, or, indeed, one of our own programs for which we have made a contract with performers. Then we find the thing is slipping. We cannot suddenly terminate it. We cannot just cut it off like that. Instead, we make every effort to improve it, to restore it to its former position. But if the thing is just a washout, obviously we have learned that we should not do it again.

Mr. MCINTOSH: How long a term of contract would you make?

Mr. BUSHNELL: What is that?

Mr. MCINTOSH: How long a term of contract would you make with artists?

Mr. BUSHNELL: Except in some instances, it is usually in terms of 13 weeks.

Mr. OUIMET: In answer to Mr. McIntosh, I think it should be recalled and pointed out that all programs are not mass-appeal, that a lot of programs are designed for certain minorities which we consider have a right to hear certain programs, which they particularly like.

Mr. MCINTOSH: I might say, it would appear sometimes that you would think they were mass-appeal, by the way they are left on.

The CHAIRMAN: What is your question there, Mr. McIntosh?

Mr. MCINTOSH: It is not a question.

The CHAIRMAN: I think we are going to have to close for tonight. Do you wish to meet tomorrow morning?

Some hon. MEMBERS: No.

The CHAIRMAN: The next meeting will be at eleven o'clock next Tuesday. That will give you a lot of time to study the evidence submitted so far; and I think we can finish off audience research in about ten minutes,—I hope.

Also, we will have replies to several questions.

THE FOLLOWING IS THE TEXT OF THAT PART OF THE  
COMMITTEE'S PROCEEDINGS CONDUCTED IN  
THE FRENCH LANGUAGE

ON TROUVERA CI-DESSOUS LE TEXTE DE LA PARTIE DES DÉLIBÉRATIONS  
DU COMITÉ QUI S'EST DÉROULÉE EN FRANÇAIS

(Page No. 296)

M. Marcel OUIMET: Comme vous le savez tous, l'échec de "La plus belle de céans" a été si complet que la direction s'est empressée de s'excuser auprès de la mère générale des Sœurs Grises, de rendre ses excuses publiques et d'enquêter sur les circonstances qui ont entouré la mise en ondes de l'émission. L'enquête est terminée. Elle a été très poussée et elle établit nettement que le contrôle normal des émissions a fait défaut en cette circonstance.

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(Page No. 297)

En vérité, on a péché par imprudence et par imprévoyance. L'absence de cinq superviseurs, le déplacement du directeur de la production, le surcroit de travail exigé par le rétablissement de l'horaire d'avant la grève, la préparation tardive de l'horaire d'été et l'élaboration de l'horaire d'automne sont autant de facteurs qui ont contribué à la désorganisation des services.

Il en est résulté que Radio-Canada, désireuse comme elle se le devait de souligner la béatification de mère d'Youville, a agi avec trop de précipitation. Confrontés par l'approche des cérémonies de Rome, on a voulu parer au plus pressé sans se rendre compte que les rouages manquaient encore de souplesse et on a eu recours à un texte que détenait déjà Radio-Canada, sans s'arrêter malheureusement à se demander à quel point ce texte pouvait convenir à la circonstance.

Une responsabilité très lourde retombe assurément sur ceux qui avaient mission de surveiller la production. Cette surveillance aurait dû être très serrée sur toutes les phases d'une émission aussi délicate, du fait de son inspiration et du grand événement avec lequel elle coïncidait, du fait aussi de son coût prévu. L'un des responsables a pourtant attendu à la toute dernière minute pour réagir bien qu'il ait eu lui-même des doutes sérieux quant à l'opportunité de donner suite à la production.

Si l'on s'arrête au "produit fini", il faut convenir qu'on n'a aucunement réussi à donner à l'émission l'orientation, l'atmosphère et le climat appropriés. Certaines scènes d'un caractère religieux et relevant de la vie de charité de mère d'Youville auraient pu, dans une certaine mesure, faire contrepoids aux scènes purement inspirées de la vie laïque et profane de la bienheureuse et de son milieu, mais il reste que le succès de la pièce était fortement compromis par certains tableaux disgracieux et déplacés.

La situation, il ne faut pas se le cacher, était difficile. Il aurait fallu plus de temps pour assurer la mise en scène, prévoir le découpage, repenser le texte avec l'auteur en fonction de la journée du 3 mai. Pris dans l'engrenage d'une production urgente, la vue d'ensemble a échappé à ces artisans. On n'a pu répéter que deux jours avec caméras, on a eu à peine le temps de faire ce que l'on appelle dans le métier le "blocking" et on fut même incapable de terminer la répétition générale.

Comme vous le voyez, nous avons retracé, étape par étape, la marche de l'émission. Nous avons pesé les erreurs de jugement et les fautes de goût qui ont conduit à cet échec, de même que le degré de culpabilité qui en sont responsables. Mais nous n'avons pas voulu oublier l'excellent travail accompli par tous et chacun dans le passé. Il n'est jamais facile, dans les milieux artistiques, d'accepter un échec retentissant. Dans le cas qui nous occupe, la sanction justifiée de l'opinion publique constitue une épreuve supplémentaire.

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Enfin, nous l'avons déjà indiqué, la responsabilité est une responsabilité sociale, une responsabilité de la société Radio-Canada, comme c'est aussi une responsabilité sociale que de prendre à l'intérieur de la maison les mesures indispensables pour éviter la répétition d'un tel incident.

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(Page No. 301)

M. TREMBLAY: Monsieur Ouimet, vous avez dit, dans votre déclaration, que le texte qui a servi à l'émission "La plus belle de céans" était déjà en possession de Radio-Canada, qu'il avait été approuvé à ce moment-là?

M. OUIMET: Il avait été soumis pour une autre série qui s'appelait "Quatuor". Il s'agissait d'un programme divisé en quatre épisodes d'une demi-heure, si je me souviens bien. Il n'avait jamais été utilisé, pour la bonne raison que la série s'est terminée. On l'avait donc accepté, en principe, mais avec certaine réserve.

M. TREMBLAY: Maintenant, si vous me permettez une autre question, monsieur Ouimet, si le texte était mauvais pour l'émission du 3 mai, pouvait-il être bon pour les émissions dans d'autres circonstances?

M. OUIMET: C'est ce que j'ai indiqué quand j'ai dit qu'on avait péché par imprudence et imprévoyance.

M. TREMBLAY: Une dernière question, je n'exigerais pas que vous y répondiez directement. Je la pose parce que je crois qu'elle est importante. Est-ce qu'il n'avait pas déjà été indiqué sur ce texte la remarque suivante: "choquera les âmes pieuses, mais peut quand même être passé".

M. OUIMET: Je n'ai vu qu'un rapport au sujet de ce texte et je ne me souviens pas avoir vu cette expression.

M. TREMBLAY: Une question supplémentaire. Vous me dites n'avoir vu qu'un rapport. Pensez-vous qu'il pourrait y en avoir d'autres?

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M. OUIMET: Il peut y avoir eu un rapport sur le texte tel qu'il était présenté pour "Quatuor", et une mise en garde au sujet du texte, tel qu'il a été repris pour l'émission du 3 mai.

M. TREMBLAY: Une dernière question, monsieur Ouimet. Est-il vrai que M. Beaugrand Champagne, qui fait partie du "Script Bureau", aurait été momentanément suspendu?

(Page No. 324)

#### SÉANCE DU SOIR

M. TREMBLAY: Monsieur le président, je voudrais poser une question à M. Trainor. Comme il a dit tout à l'heure, étant donné qu'on se base sur les enquêtes de ce comité de recherches pour des programmes commerciaux, des programmes commandités et des programmes non commandités, est-ce que c'est sur ce bureau d'enquête que l'on se base pour maintenir au réseau des programmes qui durent, par exemple, depuis 12, 15 et près de 20 ans. Je vais vous donner un exemple précis. "Un Homme et Son Péché".

\* \* \*

Monsieur le président, je trouve que l'on est un peu scrupuleux dans les questions de personnalités. Lorsqu'on donne un exemple, comme je l'ai fait tout à l'heure, j'ai fait tout à l'heure, j'ai choisi un programme très populaire, pour prendre un exemple qui, en soi, rencontre l'assentiment général, je pense qu'on peut donner des exemples et même prendre des exemples de cette sorte pour illustrer les remarques que l'on veut faire, et je crois que c'est aller un peu trop loin dans le scrupule, dans les cas de personnalités, que de refuser toute allusion à des faits précis.

Lorsqu'on prend un exemple, on ne fait pas un procès, on fait seulement une allusion à un fait. Il faut distinguer entre les faits et les personnalités, et la question que je voulais poser tout à l'heure était la suivante: Quels sont les critères et sur quels critères se base-t-on pour apprécier ce que vous appelez en anglais les "ratings"?

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M. BRASSARD (Lapointe): Monsieur le président, je voudrais essayer,— j'ai entendu M. Tremblay, je ne sais pas si je puis rendre son idée,—je voudrais poser une question d'ordre général. La société Radio-Canada met sur les ondes, à la télévision et à la radio, des programmes qui sont assez souvent d'un goût douteux, au point de vue français.

Je me demande, d'abord, s'il y a des programmes semblables sur le réseau anglais et je me demande aussi si la société Radio-Canada, au lieu de tenir compte du goût d'un très grand nombre d'auditeurs et de téléspectateurs, ne devrait pas essayer de faire l'éducation du public dans ce domaine.

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M. TREMBLAY: Est-ce que vous ou M. Trainor pourriez me dire quels sont les critères qui vous servent à apprécier les cotes de popularité de certains programmes? Vous basez-vous uniquement sur le goût du public, sur cette ligne d'orientation, sur cette politique dans l'organisation des programmes à Radio-Canada?

\* \* \* \*

M. TREMBLAY: Dans quelle proportion?

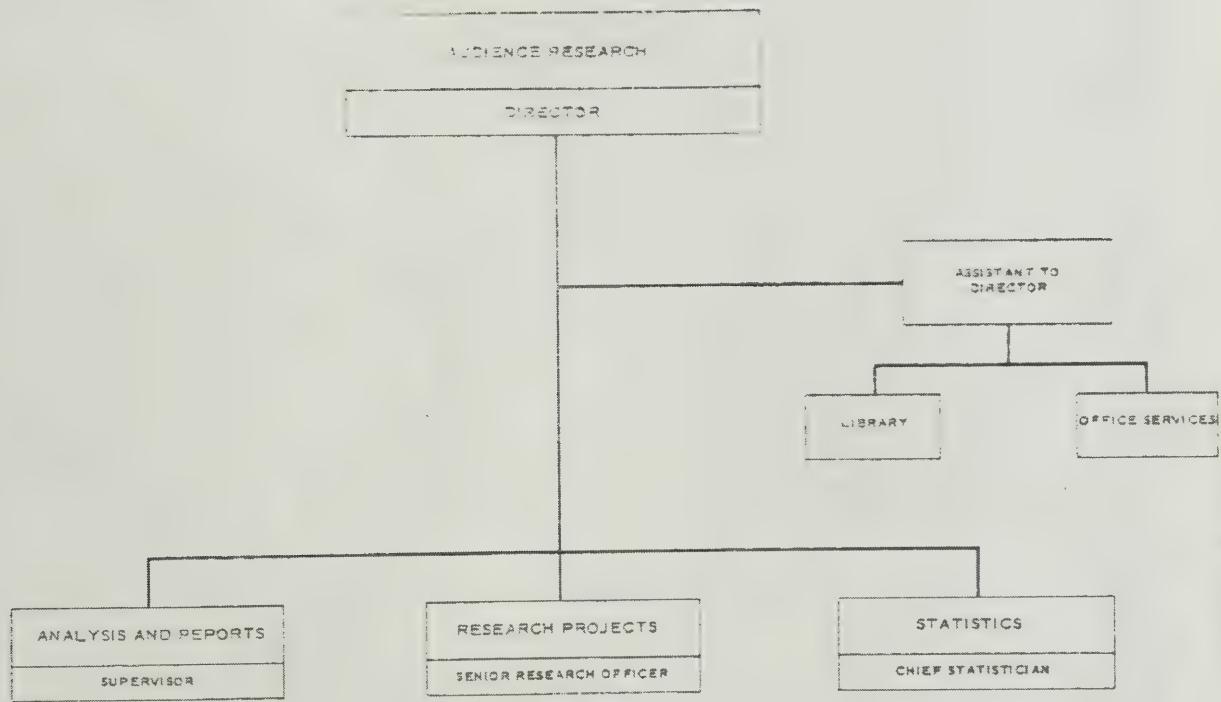
#### APPENDIX "A"

##### CANADIAN BROADCASTING CORPORATION TELEVISION PROGRAM COST REPORT

Title: Teletheatre (Oncle Vania)	Telecast date: 11-12-58
Telecast Time: 9:30-10:30	No. of Performers: 15
Live: Network: Sustaining	
Actual Production Cost	
Talent .....	\$ 6,554
Program production .....	4,256
Design—direct and indirect .....	5,969
Staging—direct and indirect .....	9,601
Technical .....	6,204
Total production cost .....	\$32,584
Add: Overhead application to recover administrative expense	
a) Regional Production centre .....	4,236
	\$36,820
b) Management supervision .....	1,629
	\$38,449

CANADIAN BROADCASTING CORPORATION  
BASIC ORGANIZATION - AUDIENCE RESEARCH

(Appendix "B")





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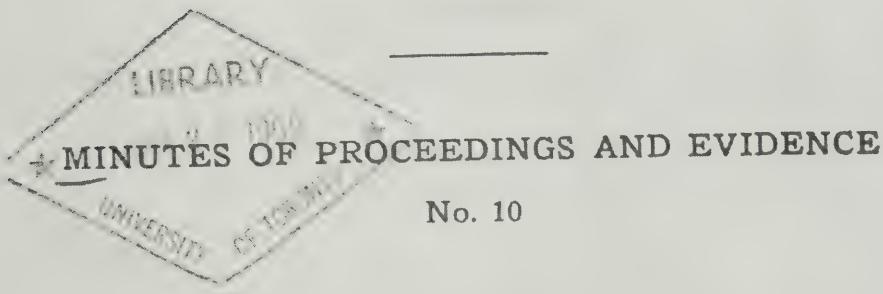
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Publications

Second Session—Twenty-fourth Parliament  
1959

SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*



TUESDAY, JUNE 9, 1959

*[Indicates it is to be read in the House.]*

CANADIAN BROADCASTING CORPORATION

WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;  
J. P. Gilmore, Controller of Operations; M. Ouimet, Deputy Controller  
of Broadcasting; and Charles Jennings, Controller of Broadcasting.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* G. E. Halpenny, Esq.

*Vice-Chairman:* J. Flynn, Esq.

and Messrs.

Miss Aitken,	Fortin,	Nowlan,
R. A. Bell ( <i>Carleton</i> ),	Johnson,	Paul,
Tom Bell ( <i>Saint John-</i> <i>Albert</i> ),	Kucherepa,	Pickersgill,
Brassard ( <i>Lapointe</i> ),	Lambert,	Pratt,
Mrs. Casselman,	Macquarrie,	Richard ( <i>Ottawa East</i> ),
Chambers,	Mitchell,	Robichaud,
Dorion,	Morris,	Simpson,
Eudes,	Muir ( <i>Lisgar</i> ),	Smith ( <i>Calgary South</i> ),
Fairfield,	McCleave,	Smith ( <i>Simcoe North</i> ),
Fisher,	McGrath,	Taylor,
Forgie,	McIntosh,	Tremblay.
	McQuillan,	

J. E. O'Connor,  
*Clerk of the Committee*

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#### REPORT TO THE HOUSE

The Special Committee on Broadcasting begs leave to present the following as its

#### FIRST REPORT

Your Committee recommends that it be empowered to meet in Toronto, Ontario, on Tuesday, June 23, 1959.

Respectfully submitted,

G. E. HALPENNY,  
*Chairman.*

ORDER OF REFERENCE

TUESDAY, June 9, 1959.

*Ordered*.—That the Special Committee on Broadcasting be empowered to meet in Toronto, Ontario, on Tuesday, June 23, 1959.

Attest

LÉON-J. RAYMOND  
*Clerk of the House.*

## MINUTES OF PROCEEDINGS

TUESDAY, June 9, 1959.

The Special Committee on Broadcasting met at 11.00 a.m. this day. The Chairman, Mr. Halpenny, presided.

*Members present:* Miss Aitken, Mr. Bell (*Carleton*), Mrs. Casselman, Messrs. Chambers, Dorion, Eudes, Fairfield, Flynn, Fortin, Halpenny, Johnson, Kucherepa, Macquarrie, Morris, McCleave, McGrath, McIntosh, Pickersgill, Paul, Richard (*Ottawa East*), Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Taylor and Tremblay—(25).

*In attendance:* Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; M. Henderson, Comptroller; J. P. Gilmore, Controller of Operations; Marcel Carter, Controller of Management Planning and Development; Charles Jennings, Controller of Broadcasting; R. C. Fraser, Director of Public Relations; R. E. Keddy, Director of Organization; J. J. Trainor, Assistant to Director of Audience Research; Barry MacDonald, Secretary, Board of Directors; J. A. Halbert, Assistant Secretary, Board of Directors; and Marcel Ouimet, Deputy Controller of Broadcasting.

On the motion of Mr. McGrath, seconded by Mr. Fairfield,

*Resolved.*—That the Committee travel by air to and from Toronto, Ontario, on Tuesday, June 23, 1959.

Copies of a "draft" Agenda were distributed to Members and following discussion and amendment, was adopted.

Mr. Jennings read a statement answering allegations of excessive repetitive appearances of performers on both radio and television, and Messrs. Ouimet, Bushnell and Jennings were questioned concerning the matter.

Copies of a document concerning trend analysis of quantitative ratings in competitive television markets were tabled in answer to a question asked by Mr. Smith (*Calgary South*) at a previous meeting and a sample questionnaire used by the Audience Research Division, tabled at the request of Mr. Fairfield, were distributed to Members of the Committee.

At 12.45 p.m. the Committee adjourned to meet again at 3.45 p.m. this day.

### AFTERNOON SITTING

The Committee met at 3.50 p.m., the Chairman, Mr. Halpenny, presiding.

*Members present:* Miss Aitken, and Messrs. Bell (*Carleton*), Bell (*Saint John-Albert*), Chambers, Eudes, Fairfield, Flynn, Fortin, Halpenny, Johnson, Kucherepa, Macquarrie, McCleave, McGrath, McIntosh, Paul, Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Taylor and Tremblay—(21).

*In attendance:* The same officers from the Canadian Broadcasting Corporation as attended the morning sitting.

The Chairman observed the presence of quorum and suggested that further questions on the subject of "repetitive appearances of performers" be directed to Mr. Ouimet.

It was decided that the topic "International Service" appearing as Item A/5 on the Agenda, be allowed to stand until later this week.

Messrs. Bushnell, Jennings, Gilmore and Ouimet answered questions relating to the production, purchase and distribution of films.

Mr. Gilmore was questioned concerning the purchasing of material, props, sets, costumes, etc., their use, disposition and storage.

Messrs. Jennings and Ouimet outlined the Corporation's policy with respect to the recruitment of new talent.

*Agreed.*—That a statistical table entitled "Canadian Broadcasting Corporation Payments for Copyright Material 1953-1958" be printed as an appendix to the record to today's proceedings. (See Appendix "A")

At 5.25 p.m. the Committee adjourned to meet again at 9.30 a.m., Thursday, June 11, 1959.

J. E. O'Connor,  
Clerk of the Committee.

NOTE: Text of the Proceedings recorded in the French language appears immediately following this day's Evidence.

REMARQUE: Le texte des témoignages recueillis en français figure immédiatement à la suite du compte rendu des délibérations de la séance d'aujourd'hui.

## EVIDENCE

TUESDAY, June 9, 1959.  
11 a.m.

The CHAIRMAN: Gentlemen, we have a quorum.

Mr. MCGRATH: Mr. Chairman, respecting our proposed trip to the C.B.C.'s operations in Toronto on June 23, I move, seconded by Dr. Fairfield: that this committee travel by air to and from Toronto, Ontario, on Tuesday, June 23, 1959.

The CHAIRMAN: Is that agreed, gentlemen?  
Agreed.

The CHAIRMAN: We are going to discuss the proposed agenda, of which we will all have copies. But before we do so, I feel it only fair for Mr. MacDonald, the secretary of the board of directors, to put on record a letter he wrote to Mr. O'Connor, our clerk.

Mr. BARRY MACDONALD (*Secretary, Board of Directors, Canadian Broadcasting Corporation*): The letter is dated today, June 9:

Dear Mr. O'Connor:

Following is a progress report on the questions raised in committee to which the C.B.C. is supplying answers:

- (1) Answers to the following questions have been prepared in writing and delivered to you in 75 copies:
  - (a) Information in connection with television coverage, requested by Mr. Simpson and Mr. Fisher May 15.
  - (b) Total C.B.C. staff by location, requested by Mr. McGrath June 4.
  - (c) Trend analysis of quantitative ratings in competitive television markets, requested by Mr. A. R. Smith June 4.
  - (d) Sample questionnaires used by audience research requested by Dr. Fairfield June 4.
- (2) The corporation is ready to provide verbal answers at any time to the following questions:
  - (a) The functions of C.B.C. information services, requested by Mr. McGrath June 2.
  - (b) Number of producers at Vancouver, Winnipeg, Halifax and Ottawa in relation to volume of production, requested by Mr. Pickersgill, June 4.
- (3) Biographical information on the C.B.C. board of directors can be supplied in quantity at any time prior to the committee's Toronto visit June 23.

Answers to other questions are still being prepared.

Mr. ERNEST BUSHNELL (*Vice President, Canadian Broadcasting Corporation*): May I speak to that, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. BUSHNELL: The answers still in course of preparation are as follows: operating costs of one or two C.B.C. stations, including number of staff. That was asked, I think, by Mr. A. R. Smith on May 14. Then, the amount of property owned and rented at Vancouver, Halifax and Winnipeg. That was asked by Mr. McGrath and Mr. Pickersgill on June 4. Next, cost breakdown of programs in one month's television schedule to be submitted one week at a time. That is the committee vote of June 2.

The CHAIRMAN: Those are still in process?

Mr. BUSHNELL: Yes.

Mr. MCGRATH: Arising out of that, I presume my question of June 4 is being answered, respecting the staffs at key production centres of Vancouver, Toronto, Montreal and Halifax, I think, and Winnipeg. I also added to that question the total—the network productions originating from these centres.

Mr. BUSHNELL: That will be ready by Thursday.

The CHAIRMAN: Our intention is to distribute this information as we reach it on the agenda. There is no use distributing it all at one time. We will do that, gentlemen, if that is agreeable.

Mr. SMITH (*Calgary South*): Mr. Chairman, I have a comment which I will put in the form of an inquiry, in relation to the from of the agenda—or would you prefer that I hold it until we consider the agenda?

The CHAIRMAN: Yes, I would prefer that.

Mr. SIMPSON: In relation to the question asked by myself about extensions, will that procedure be carried out as planned, with charts and so on?

Mr. BUSHNELL: The answer, as far as we are concerned, Mr. Simpson, is, yes. But, of course, at what time that will be done depends upon the wishes of this committee.

The CHAIRMAN: That is in the agenda here, Mr. Simpson; you will notice it when we discuss the suggested agenda.

I think we might as well start right at the top. You will notice the programming is under three headings, A, B, C. The first heading is Programming—General; the second, Programming Newscasting; and, the third, Programming—Controversial and Political Broadcasting. Perhaps we can discuss the nine items under General Programming and see if it is agreeable to the group.

Mr. SMITH (*Calgary South*): The point I wish to raise concerns my interest in the costs of operation of the corporation, which deals with various aspects of its function, those involved in program costs, those which are related to capital costs, those relating to salaries of employees, and so on.

Do I assume from the chair that each of these will, therefore, be taken individually under its subheading, rather than as a subject of expenditure generally?

The CHAIRMAN: That is right—under the subheading of Finance.

Mr. SMITH (*Calgary South*): Assuming that to be the case, and we conclude the present examination on research today, the next item shown is the analysis of costs required by the committee. This item will be deferred until such time as material is presented to us?

The CHAIRMAN: That is right.

Mr. BELL (*Carleton*): That is what it says—"Hold over".

The CHAIRMAN: If we may go along with this programming in general. Incidentally, this draft has been made up from suggestions received from the members of this committee. If there are points in general areas that you wish to discuss, please let us have them and we will add them to this proposed agenda.

The first item is, conclude present examination on research. Is that satisfactory?

Agreed.

The CHAIRMAN: The second item is, analysis of costs required by committee. That was Mr. Smith's motion. That is held over until we get the information. The third item is, analysis of principles governing balance between forms of programming; that is, drama, music, ballet, et cetera.

The fourth item is, examination of allegations of repetitive performers, drama, et cetera. No. 5, is International service: six, Films—French and English.

Next is No. 7, Purchasing of material—costumes, et cetera. Then No. 8 is Recruitment of new talent, and No. 9 is Relationship with performers rights society.

Have we any additions to this under any additional areas that should be included under this general programming?

Mr. DORION: Mr. Chairman, I would like to know, concerning the relationship with performing right societies, whether we have the privilege of examining certain agreements made between the society and artists, et cetera?

The CHAIRMAN: Either there or under Personnel further on. There will be a spot in Personnel for that.

Mr. SMITH (*Simcoe North*): On the question of films, it says, French and English films. I think there might be some questions concerning Canadian films that are used.

The CHAIRMAN: We meant, French and English language.

Mr. BUSHNELL: Mr. Chairman, may I ask for clarification on that point. Films is a pretty broad subject. Just what information do you require about films—the number of films used?

The CHAIRMAN: We do not know as yet, until we get to that point.

Mr. BUSHNELL: It would be helpful. If you do not know, I cannot give you an answer until you do.

The CHAIRMAN: I realize that you cannot. Are there any other areas? Is A, Programming—General, agreeable?

Mr. MCINTOSH: Under No. 7, Purchasing of materials—costumes, et cetera: does that take in stage property?

The CHAIRMAN: That is right—general purchasing.

Mr. TAYLOR: On that matter of research, will it be possible to call a witness from the Dominion Bureau of Statistics?

The CHAIRMAN: We pretty well concluded the evidence on research.

Mr. MCGRATH: That point was covered.

Mr. TAYLOR: But my point is, could a witness be called from the Dominion Bureau of Statistics so that they could help?

The CHAIRMAN: Or wait until we get back to Research. I am trying to get this proposed agenda agreed all the way through. You will have a chance to ask questions on research as soon as we get agreement on the agenda.

"B", Programming—Newscasting: (1) Comparison by location of news service showing the number of staff, annual cost for radio and television for the last three fiscal years. Then (2) Review of directive and style guide, page 135; (3) Review of proposal to employ new staff to cover pages 260 to 262; (4) Integration of supervisory and editorial staff of radio and television services. Is there any other area, or is this agreeable?

Agreed.

The CHAIRMAN: (c) Programming—Controversial and Political Broadcasting. (1) Review of governing rules; (2) Repetitive appearances of commentators; (3) Achievement of Balance of opinion, (a) English networks and (b) French networks. Then (4) Political broadcasting, (a) The Nation's Business, (b) Provincial Affairs, and (c) Other. Is that agreeable?

Mr. PICKERSGILL: May we leave that point, Mr. Chairman? It will be recalled that the Minister of National Revenue gave an undertaking at the last session of parliament that this whole question of political broadcasting would be referred specifically to the committee on privileges and elections. I wondered, in view of the undertaking of the government and in view of the enormously long time this committee is taking, whether it is a subject that we ought not to leave to the committee that the government said was going to consider it.

The CHAIRMAN: I throw that to the committee because this was a recommendation made by a committee member and the steering committee included in this draft every proposal we have had. Does anybody wish to speak to Mr. Pickersgill's suggestion?

Mr. PICKERSGILL: I am just raising that as a question.

Mr. BELL (Carleton): I would agree with Mr. Pickersgill that it is not a matter which this committee should take time on; but I think—at least for the purpose of our record—we should have a statement on, perhaps, the types of rules governing this practice.

The CHAIRMAN: We can consider that at the time.

Mr. BUSHNELL: I think you should also take into consideration the fact that No. 1 of "C", Review of governing rules, is a matter which also concerns the board of broadcast governors, because the white paper which we use, and have used for these many years, has been adopted practically in the same form, with the same meaning, and is now the responsibility of the board of broadcast governors.

The CHAIRMAN: I realize that; but with regard to item (1) of part "C", I think if you would just—

Mr. BUSHNELL: We would be very happy to do that.

The CHAIRMAN: Is "C" agreeable, ladies and gentlemen?

Agreed.

The CHAIRMAN: Part "D"—Finance. Item No. 1 is, further study of reports of P. S. Ross & Sons, to C.B.C. and to the Fowler Commission, and analysis of action taken to implement these reports. Then (2), Analysis of financial statements of the corporation; (3) Comparison with British, U.S. and Canadian stations and British and U.S. networks; (4) Capital program; (5) Forecasts of deficits in future. Are there any additions, ladies and gentlemen?

Mr. PICKERSGILL: I should think we ought to have the principles on which annual budgets are prepared.

The CHAIRMAN: Is that agreed, gentlemen?

Agreed.

Mr. PICKERSGILL: I think it ought to be the first item. I am indifferent as to where it comes.

The CHAIRMAN: I do not think it matters, particularly, as long as it is in there.

Mr. SMITH (Calgary South): Mr. Chairman, I would like to ask Mr. Bushnell whether he would consider an examination on the rate structure, which directly affects finance?

Mr. BUSHNELL: I am sorry.

Mr. SMITH (Calgary South): On rate structure?

Mr. BUSHNELL: In relation to what?

Mr. SMITH (*Calgary South*): The published rates of the corporation, in relation to radio and television, advertising media, sales message—where would they go; which portion? Perhaps you might place it somewhere and we will let it go at that.

Mr. BUSHNELL: Yes, I would prefer not to—

Mr. SMITH (*Calgary South*): Right.

The CHAIRMAN: Is part "D" Finance agreeable?

Mr. TAYLOR: Mr. Chairman, with respect to item 3 under Finance, could we not also have the B.B.C. included?

The CHAIRMAN: The B.B.C.?

Mr. TAYLOR: The comparison with U.S. and Canadian.

The CHAIRMAN: If that evidence is available. Is it, Mr. Bushnell?

Mr. BUSHNELL: Yes, the annual statements of the B.B.C. are available; they are published. The annual statements of the Australian broadcasting commission are published and available.

The CHAIRMAN: Do you think that information would be worth while?

Mr. TAYLOR: Yes, I am referring to a newspaper article, which indicates certain trends.

The CHAIRMAN: Is it agreeable that we put in the British Broadcasting Corporation also?

Mr. PICKERSGILL: I think, if we do that, we ought to put in the other.

The CHAIRMAN: You mean, the Australian?

Mr. PICKERSGILL: No, the independent television in the United Kingdom. It would be much more interesting, I am sure, for both networks.

The CHAIRMAN: All right: we will just put in U.S. and British.

Mr. BUSHNELL: I may say, Mr. Chairman, I may not be able to supply them in the vast quantities that are required.

The CHAIRMAN: I realize that. Is Finance agreeable?

Agreed.

The CHAIRMAN: The next is part "E" under Organization; the organization generally—that is, an analysis of organization charts and examination as to whether responsibilities of respective departments and divisions are fully defined. I think that covers organization pretty well.

Then, under Personnel, which is section 2 of "E" (a) Personnel statistics for five years; (b) Recruiting policy—that is, public competition or not; (c) Promotional policy within the organization; (d) Possible limitation of personnel growth; (e) Safeguards against recruitment exclusively of certain types of employees; (f) Review of trade union contracts and possibility of "feather-bedding".

Mr. DORION: On this question, Mr. Chairman, I would like to ask Mr. Bushnell a question on the contracts or agreements they have with the union organizations. I have something in my hand and I believe it will be very interesting to the members of the committee to have that.

The CHAIRMAN: You mean, under the industrial relations type of contract?

Mr. DORION: Under Review of trade union contracts.

Mr. BUSHNELL: I do not think there is any objection to that Mr. Carter, have we any agreement that you may know of with the various unions which would preclude us from so doing?

Mr. MARCEL CARTER (*Controller of Management Planning and Development*): As far as the unions are concerned, these contracts are published and

distributed to staff generally, and I do not see any reason why we should not provide that.

Mr. JOHNSON: Do I understand this includes every side of industrial relations—this item Personnel?

The CHAIRMAN: I would think so, unless you can think up any other heading. I think we have covered it; it is all-embracing, I think.

Mr. JOHNSON: With regard to trade union contracts, if there is any possibility that some employees are covered by individual contracts, would that be included?

Mr. MCGRATH: We are getting into personalities.

Mr. JOHNSON: Under the scope of Personnel items here?

The CHAIRMAN: You realize, Mr. Johnson, that at the beginning of this committee, the committee agreed we would not get into personalities. Therefore, I do not see how we could review a personal contract with one individual.

Mr. JOHNSON: If you will permit—there might be a large group of persons who have individual contracts with the C.B.C.

The CHAIRMAN: We have the contract form. We could show you that for the individuals.

Mr. JOHNSON: A contract form does not show what "A" and "B's" particular salary is, and all that stuff.

The CHAIRMAN: As long as we do not get down to individual cases—if you want to know the number of people covered on this.

Mr. JOHNSON: We would like to have the contract forms.

The CHAIRMAN: If this committee agrees, we are going to get into personalities. I do not see how we can get down to an individual contract with an individual, because that would be bringing in personalities—unless you call them "A", "B", "C", "D" and "E".

Mr. BELL (Carleton): Is it that Mr. Johnson simply wants the standard form of contract of employment of an individual? If that were the case, there certainly could be no objection; but if he is asking for the contract that the individual himself completed, I think there would be an objection, under the principles we first outlined.

Mr. JOHNSON: It would be a contract, and if there are any exceptions for certain individuals, there should be an explanation for it.

The CHAIRMAN: There can be, as long as we do not name the individual.

Mr. JOHNSON: No.

The CHAIRMAN: By all means.

Mr. CHAMBERS: Mr. Chairman, I had a question left over from the first sitting of the committee that might be included in here—that was the method of establishing staff requirements. It might come under the present heading.

The CHAIRMAN: You asked that question originally, did you?

Mr. CHAMBERS: Yes, at a previous session. I do not think we have time to have a discussion on it.

The CHAIRMAN: We could put it in as a review of establishment.

Mr. BELL (Carleton): It really comes under (d) of "E" too.

The CHAIRMAN: Possible limitation of personnel growth—it could come under that. I think it would come under that, Mr. Chambers, without any trouble.

Mr. MCINTOSH: How about the degree of responsibility under Personnel?

The CHAIRMAN: Well, I think you will find that under recruiting, and also under promotional policy.

Mr. JOHNSON: Organization.

The CHAIRMAN: And under the general organization.

Mr. MCINTOSH: Could we ask this by departments, under General organization—I mean, individually?

The CHAIRMAN: I did not hear you.

Mr. MCINTOSH: Under organization generally—that is the responsibilities of the department: I wanted to ask about individuals?

The CHAIRMAN: Again, we are getting down to personalities.

Mr. MCINTOSH: No names mentioned—appointments.

The CHAIRMAN: We could do that with the organizational charts.

Mr. MACQUARIE: I was interested in the movement of personnel from C.B.C. stations in the geographic periphery of the country into the great heart—into Toronto. I see it is not here, so it must come under Promotional.

The CHAIRMAN: Send that question in and we will have it included somewhere. You mean, how to get out of the bush league into the major league? That will come under Promotional policy; you can bring it up at that point.

Now, Commercial organization section 3 of part "E" (a) number and location of sales personnel; (b) qualification and experience of sales personnel; (c) record of performance of commercial organization of past three years. Are there any other questions you want on sales, gentlemen?

Mr. BUSHNELL: Mr. Chairman, would you care to elaborate on (c) just a little bit—the record of performance?

The CHAIRMAN: Yes.

Mr. BUSHNELL: Do you mean, are they good boys, or bad boys?

The CHAIRMAN: I judge the thinking of the committee is, how much your sales are increasing in each district where you have sales personnel, and totalling your sales effort.

Mr. BUSHNELL: I would be delighted.

Mr. MCGRATH: This would also include a census of sales personnel.

The CHAIRMAN: That will be discussed at that time.

Mr. SMITH (*Calgary South*): I think it would be interesting to know something of the procedure which the sales force has.

The CHAIRMAN: You mean, the "pitch"?

Mr. SMITH (*Calgary South*): Not just what it says; but what is the organizational responsibility of the force?

Mr. BUSHNELL: Would you have the time, do you think, on this committee for one of our high pressure men to really give you a demonstration of our selling tactics?

The CHAIRMAN: I cannot tell you right now whether or not we have the time, but if we have, we will have him sell Mr. Smith.

Mr. BUSHNELL: It would take up a full session, I assure you.

Mr. PICKERSGILL: It might have been a very good thing to have done that at the very beginning of our session.

Mr. BUSHNELL: I agree with you, Mr. Pickersgill.

The CHAIRMAN: That is hindsight. Section 4 of part "E", Public relations and information services. (a) Comparison by location of information service showing: (i) number of staff, (ii) annual cost, for past five years, and (iii) the general functions.

Mr. BELL (*Carleton*): The past five years is intended to be implied in (i) and (ii) there, I think.

Mr. BUSHNELL: May I just beg of you to try to limit that to less than five years. Some of our documents five years ago would be down in the vault somewhere, and we have to go back and dig them out.

Mr. MCGRATH: Two comparative years would be sufficient.

The CHAIRMAN: Is it agreeable, ladies and gentlemen, for the past two years?

Agreed.

The CHAIRMAN: Then under Public relations, subheading (b) Publications, general purposes and costs.

Mr. SMITH (*Calgary South*): I wonder if I might ask this question, Mr. Chairman? Mr. Bushnell, does it present the same problem, to obtain a little longer period for the information to be obtained on public relations and information services? Is this not readily available, again?

Mr. BUSHNELL: Yes. I think, in general terms, Mr. Smith, we could give you a statement on that—let us say for three years. But if we are going to have to go back into our financial records and dig out these costs, that is quite a chore.

Mr. SMITH (*Calgary South*): You would find it difficult, therefore, to give us the five year period as an example for the cost of public relations and information services? Mr. Henderson could probably give us how much work is involved.

The CHAIRMAN: That should be available, I would think, Mr. Henderson, would it not?

Mr. A. M. HENDERSON (*Comptroller, Canadian Broadcasting Corporation*): I do not think we would have too much difficulty taking this back five years.

Mr. BUSHNELL: All right; that is fine.

Mr. TAYLOR: Could a further item (c), be added—an item reading, "Public relations policy with respect to supporting a community project"? That is a great item with private radio stations; but I cannot remember the C.B.C. radio stations doing any great job in that field.

The CHAIRMAN: Would you like to know approximately how much free time they have given on the networks for public, local community, and national projects?

Mr. TAYLOR: I am more interested in the local.

Mr. BUSHNELL: We would be delighted to do just that, Mr. Chairman. I am very happy you have asked that question, but I would ask your permission to include as well the amount of work we have done for philanthropic organizations and others on a national basis, to indicate to you, indeed, the amount of money we have spent in that connection.

Mr. TAYLOR: That will be welcome.

The CHAIRMAN: Shall we include that as (c), the value of the free time on philanthropic organizations?

Agreed.

The CHAIRMAN: Last year would be sufficient for you, Mr. Taylor—one year?

Mr. TAYLOR: Yes, one year.

The CHAIRMAN: Under part "F" Engineering and Property, (1) Functions of engineering division; (2) Comparison by location of (a) number of staff, (b) annual cost, for last 5 fiscal years.

Is that too difficult, Mr. Bushnell, for five fiscal years for the engineering?

Mr. BUSHNELL: It is all fairly difficult, to give it for five years. The only point I am trying to make is that for every year it will probably take another few hours, or probably a day, to dig out, and I do not want to hold up this

committee. I would rather give you, as a matter of fact, three years and have that sooner, than five years and have it later?

The CHAIRMAN: Is that agreeable?

Agreed.

The CHAIRMAN: Three years; thank you. (3) under engineering and property—construction undertaken during the last five years with costs, original estimated cost of each building to be shown and amounts of extras and final costs.

Mr. BUSHNELL: Oh, brother.

The CHAIRMAN: This is not the printing bureau, gentlemen.

Mr. BUSHNELL: I would like to think about that one for a minute, Mr. Chairman.

The CHAIRMAN: Shall we come back to No. 3 after Mr. Bushnell thinks it over for a minute? No. 4, the costs of microwave and conditions of rental contracts.

Mr. SMITH (*Calgary South*): May I ask if Mr. Bushnell will be providing us with the new contracts assuming there are individual contracts with Bell Telephone or the agents of anyone using the microwaves? Could you provide us with a pretty general review of these costs—again, without having to send you down to the vaults?

Mr. MCGRATH: That is spelled out in item 4, costs of microwave contracts.

Mr. SMITH (*Calgary South*): That is right; we are dealing with that, Mr. McGrath.

Mr. BUSHNELL: There again you have me, Mr. Smith. There is competition between the various communication companies and to reveal those costs is probably a bit embarrassing to them. I do not want to argue the point too strongly—we are in the hands of this committee.

Mr. SMITH (*Calgary South*): I will take that one under consideration.

The CHAIRMAN: I suggest we leave that one at the present time and we consider the amount of information we need in the three weeks when we reach this.

Mr. MCGRATH: I think that information was given in the House of Commons at one time and there is reference to it in *Hansard*, Mr. Bushnell.

Mr. BUSHNELL: I beg your pardon?

Mr. MCGRATH: That information was given in parliament at one time, with respect to the costs, the size of the contracts entered into with the telephone companies respecting the microwave network.

Mr. BUSHNELL: You have both the telephone companies and the Canadian Pacific and Canadian National telegraphs.

Mr. MCGRATH: I was including those.

Mr. BUSHNELL: It is competitive. Actually, when we asked for an extension of the microwave service we asked for tenders from both those companies.

Mr. SMITH (*Calgary South*): I will be happy to look up *Hansard*, and then determine which information is required.

The CHAIRMAN: Now we go on to item 5: "New construction planned".

Mr. TAYLOR: On that item could we add, since it is related, "Policy with respect to working with local government"?

The CHAIRMAN: In this area?

Mr. TAYLOR: In item 5, if we could add the words, "Policy with respect to working with local government".

What I have in mind is the *Vancouver Sun* editorial, and here is one sentence:

The federal cabinet minister and MP's from Vancouver should demand an inquiry into C.B.C. plans before it is too late for C.B.C. to co-operate with city planning.

The CHAIRMAN: We can discuss it under the heading of "New construction planned" at that time. Mr. McGrath?

Mr. MCGRATH: Mr. Chairman, there is a question which Mr. Bushnell has respecting the amount of property owned and rented in Vancouver and so on, by the C.B.C. This could come up when that question is answered.

Mr. PICKERSGILL: It seems to me it is an unnecessary duplication on what we already have under finance and the capital program.

The CHAIRMAN: How do you feel that comes under that item?

Mr. PICKERSGILL: What item is the "capital program" if it is not new construction? It may be more than new construction.

The CHAIRMAN: There are a lot of other things in addition to new construction.

Mr. PICKERSGILL: But do we have to go over that twice?

Mr. BELL (Carleton): If it proves to be duplication we should drop it here.

Mr. PICKERSGILL: I suggest we drop it.

The CHAIRMAN: "Policy re calling public tenders". That is item 6. Agreed.

The CHAIRMAN: Item 7 "Architectural staff maintained"; that is subdivided into (a) number; (b) duties; and (c) costs.

That completes the areas under "Engineering and property".

Mr. FORTIN: I would like to know also the cost of the rental of studios and rehearsal halls in each city and, possibly, the names of the halls themselves. We are not interested in the contract itself.

The CHAIRMAN: Do you mean rental contracts?

Mr. FORTIN: How much it costs to rent a rehearsal hall and studios, in the cities where the C.B.C. has no property.

The CHAIRMAN: We will introduce a new heading, "Rentals", that is under item 8. That is in relation to studios and halls.

Now we are back to item 3.

Mr. BUSHNELL: I would really crave your indulgence. That is a terrific job. Could I ask that this might be limited to the last year, which I think would give you a pretty fair indication as to how we estimate what the cost of a building would be—what the final costs are, whether up or down?

Mr. TREMBLAY: No, Mr. Chairman.

The CHAIRMAN: Two years, Mr. Tremblay?

Mr. TREMBLAY: No, I would like five years, the last five years.

The CHAIRMAN: Any other comments, gentlemen, ladies?

Mr. BUSHNELL: Again, Mr. Chairman, I suggest that I would like to report back on Thursday how long that might take, to provide that information.

Agreed.

The CHAIRMAN: Part "G" "Network relations".

Mr. PICKERSGILL: Mr. Chairman, it seems to me that with the exception of item 3 all the rest of this should be considered under the B.B.G. and not the C.B.C. at all.

The CHAIRMAN: This is "Network relations".

May we read them first? The first under "Network relations" is, "Relations with private radio and private TV. (a) rules; (b) financial arrangements; and (c) problems".

I would suggest, Mr. Pickersgill, that would not come under the B.B.G.

Mr. CHAMBERS: Under that area, there is a direct relationship between one private television station and the C.B.C., but is it not rather, C.B.C. programs?

Mr. PICKERSGILL: That is part of the organization.

Mr. CHAMBERS: It does not come under the B.B.G. though.

Mr. SMITH (*Calgary South*): I think it has struck many committee members that this would be a good heading, and we hope it might be informative. It may be something about which the corporation might long to give some explanation. In addition to that, it has struck me that there has been, from time to time, some differences of opinion on the various arrangements that have been made, and I hope to be able to have Mr. Bushnell express his views on the subject.

Mr. BUSHNELL: May I put it this way: we have not any objection, but I would suggest to you, actually the situation has changed. We recognize the fact the B.B.G. now has the authority and, probably, the responsibility of determining some of these things. But we have no hesitation in attempting to assist. As a matter of fact, we consider it a privilege to be able to obtain this for you.

Mr. SMITH (*Calgary South*): I thought, perhaps the—

The CHAIRMAN: I suggest we leave it as is, and if there is a point that should be answered by the B.B.G., we will leave it over until their witnesses are called.

Under the general heading, "Network relations" is item 2, "Analysis of possible regional networks".

Item 3, "Cost and justification of Dom. network"—that is radio. Is that agreed to, ladies and gentlemen?

Agreed.

The CHAIRMAN: Under part "II" "New developments", item 1 "extension of hours of telecasting; 2, extension of coverage to remote areas"—which will make Mr. Churchill very happy—

Mr. SIMPSON: I must say at this point, Mr. Chairman—

Mr. PICKERSGILL: Does the chairman consider Winnipeg a remote area?

Mr. SIMPSON: I do not like to hear the terminology in here one bit. You mention "remote areas".

The CHAIRMAN: What would you like to call it?

Mr. SIMPSON: "Unserviced areas". I am sure there is not one of these politicians around here who would like to say that the maritimes are remote areas, or western cities are remote.

The CHAIRMAN: I think you are perfectly correct, Mr. Simpson.

Item 3, "Colour TV"; item 4, "Policy re potential competition of private stations in C.B.C. areas".

Mr. BUSHNELL: Mr. Chairman, may I suggest this, that you might put the words, "policy of C.B.C. with respect to potential competition of private stations".

The CHAIRMAN: You want it to read, "Potential competition"?

Agreed.

The CHAIRMAN: Are there any other headings?

Mr. SMITH (*Calgary South*): May I ask a general question?

The CHAIRMAN: I was going to say, Mr. Smith, that unless there are any other headings this will be our bible from here in, so far as we are concerned. We will have to stick to it if we ever hope to conclude these hearings.

Mr. SMITH (*Calgary South*): The point I would like to make is—I think you have done a very excellent job in preparing this agenda, and I am not protesting—but it is possibly going to take a great deal of time, unless we meet a little more often than we have been doing. I wonder if you could give a general outline of how you intend to proceed? You realize we wish to hear from two other agencies.

The CHAIRMAN: The C.B.C. have asked to be excused during the week of June 21, inasmuch as they will all be in Toronto.

Mr. BUSHNELL: Not all

The CHAIRMAN: Some of them will be in Toronto. At that time it will be entirely up to the committee, or the subcommittee, as to whether during that week we should call B.B.G. or the C.A.B.

Mr. SMITH (*Calgary South*): I will be specific. Are we not going to have to meet at least four times a week in order to cover this?

The CHAIRMAN: It seems to me we are going to have to.

Mr. PICKERSGILL: What about these advertising agencies that have made requests?

The CHAIRMAN: We have received requests from two or three, and the same type of letter has gone out to each one, that if there is time we will consider their request, along with all other requests at that time.

Mr. PICKERSGILL: Were those requests referred to the steering committee?

The CHAIRMAN: No, they were not. I merely dictated a letter myself that they would be considered, at which time I felt the steering committee could consider them. Is that satisfactory?

Mr. PICKERSGILL: No, I think it is not satisfactory, and I think the steering committee should have been consulted.

The CHAIRMAN: When were you last at a steering committee meeting?

Mr. PICKERSGILL: I have gone to every steering committee meeting possible for me to go to, commensurate with my duties in the house, and I know of no meeting that has ever been called except when the house was sitting.

Mr. TREMBLAY: Mr. Chairman, as we did not get this draft agenda before this morning, I propose we defer the adoption of the agenda until next Thursday, although, we can start now.

The CHAIRMAN: If you will recall, Mr. Tremblay, your steering committee did send out a suggestion and we had plenty of warning of this. I am not trying to railroad this through, by any means, but I cannot see how we are going to have time to cover very many more aspects than we have in this present agenda.

Mr. TREMBLAY: No, Mr. Chairman. I do not wish that we study this complete agenda, but it is just to put some questions that are not in this draft agenda.

The CHAIRMAN: I think you will find, possibly, a place in this agenda where you can place almost any question.

Mr. JOHNSON: That is what I meant, Mr. Chairman. I wanted to make sure we would have a chance to ask any questions under these headings.

The CHAIRMAN: I think you will be able to find, certainly, in this agenda some place where you can ask those questions. Is it agreed these will be the general headings, that we will go on from here, and that we will take them as they are shown—first, under “Programming, General”—agreed?

Agreed.

The CHAIRMAN: All right, now may we conclude No. 1?

Mr. PICKERSGILL: Before we do that, I would like to make a motion, and my motion is that this committee terminate its hearings on July 1, whether it has completed its inquiries or not.

Mr. SMITH (*Calgary South*): If I may speak to that motion, Mr. Chairman, that suggests whether or not we have completed the business of this committee we should terminate. It is conceivable the house will still be in session on that date, but it is suggested we should fold up this committee. I see no sense in that motion at all.

Mr. PICKERSGILL: My motion was that the hearings should terminate on July 1, 1962.

Mr. SMITH (*Calgary South*): Pardon me.

The CHAIRMAN: Do you have a seconder, Mr. Pickersgill?

Mr. McCLEAVE: You will be back in Manitoba then, Jack.

The CHAIRMAN: Mr. Fairfield, did you have any further questions on research?

Mr. FAIRFIELD: No.

The CHAIRMAN: Does any person on this committee have any further questions on research? We have concluded research, then.

Mr. FORTIN: May I make a correction? The correction is in the Minutes of Proceedings, No. 8, page 274, at the bottom of the page. In the question that I asked the word "sponsors" should be substituted for "commentators".

The CHAIRMAN: We will have to hold over No. 2, under "Programming—General".

We are now on No. 3 under "programming—General". This is "Analysis of principles governing balance between forms of programming—drama, music, ballet, sports", and so on.

Mr. Bushnell?

Mr. BUSHNELL: May I request that we be given time to consider that? It is quite involved, and we will have an answer for you by Thursday. I think there are other items on this agenda, in this particular section which we can deal with now.

The CHAIRMAN: Is that agreed?

Agreed.

Mr. McGRATH: Is this the first time the witness, Mr. Bushnell, has seen the agenda?

Mr. BUSHNELL: Yes.

The CHAIRMAN: That is right. We merely worked on it last night, and Mr. O'Connor the Clerk of the Committee had it duplicated last night and was working until two o'clock this morning.

Mr. BUSHNELL: This is going to make the work of the corporation very much easier, but I think we will have to be prepared to work for 24 hours a day, seven days a week, for I do not know how many weeks. It is a prodigious task; but we are very happy to do everything we can to provide you with the information you have requested.

Mr. TAYLOR: I presume that item 3 will include educational programs?

The CHAIRMAN: We can hold that over until Thursday.

Item No. 4, "Examination of allegations of repetitive performers, drama, and so on".

Mr. BUSHNELL: In the first place, may I ask, Mr. Chairman, what are these allegations?

Mr. BELL (Carleton): The suggestion has been made a number of times in this committee that there is a type of family compact. Can you tell us those who are engaged in this? I think the corporation should answer this particular allegation made in the committee.

Mr. BUSHNELL: Would you be prepared to accept a very short answer?

Mr. BELL (Carleton): Yes.

Mr. BUSHNELL: There is no family compact in the C.B.C. If you care to go on from there, I have no objection.

Mr. BELL (Carleton): I think, perhaps in fairness to yourself, you should go further than that.

Mr. BUSHNELL: All right.

Mr. BELL (Carleton): Mr. Bushnell, you are quite well aware of what the nature of these allegations is, to which I personally do not subscribe; but I think the corporation ought to have an opportunity to answer it.

Mr. BUSHNELL: I think the answer is a very simple one. I think you are probably referring to the number of appearances of certain personalities on the air, and it may well be the opinion of yourself and others that they are appearing too frequently.

As a matter of fact, I think Mr. Jennings—if memory serves me well—mentioned what one of the reasons was, at least, and that is that these professional artists must obtain a decent living, or we are going to lose them.

Would you care to have Mr. Jennings make a statement? This is one of the 125 answers we have ready for you.

Mr. JENNINGS: The C.B.C. is occasionally accused of using the same performers and writers so often that newer and fresher talent never gets an opportunity to break into the broadcasting field.

This accusation is true only to the extent that there is in Canada a number of performers and writers who have become so proficient that the C.B.C. tries to take maximum advantage of their abilities. As Toronto and Montreal are the network centres, the most active of these performers and writers eventually, and not unnaturally live in or near these cities. Their work takes them into C.B.C. buildings on an almost daily basis. They seem to be part of the C.B.C. Their names appear frequently in newspaper columns. They become identified as "the clique".

This accusation of a C.B.C.-fostered clique is false if the word "clique" is understood to mean a set of people with little talent and no training who manage to get assignments through their friendships with producers. Statistics alone will kill this accusation, but such statistics never satisfy the aspiring performer or writer who is looking for someone to blame because his talents are not used at all, or as frequently as he feels they should be.

Performers and writers in Canada, as compared with their confreres in the United Kingdom and the United States, have a very limited market in which to sell their wares. A competitive film industry is just beginning; there is little professional stage theatre; private stations appear to use as little Canadian talent as possible, with one or two noted exceptions.

Therefore, the C.B.C. must accept the responsibility of keeping an adequate number of skilled artists earning competitive salaries so that good talent is available for its programs at all times.

Nevertheless, the C.B.C. is aware that it must constantly seek to unearth a steady flow of fresh talent. Thousands of aspiring performers are auditioned each year. In fact, no one is refused an audition. Two hundred scripts are submitted each month, and are read by at least two script readers. But everyone who wants a show-business career just cannot be accommodated.

The C.B.C. does not have enough money to pay a large pool of latent talent living wages while in training. If the corporation were to aim at new faces simply for variety's sake, the financial awards to the artists, performers and writers, would be spread so thin that there would be no incentive for them to achieve competence or stay in Canada.

Also, if an artist earns too little as an artist to support himself, then he must develop another means of earning a living. This means that his C.B.C. work can be done only on a part-time basis and becomes dependent upon his being freed from his other work at a time suitable to our program needs. It can readily be understood that we could not maintain our program quality with spare-time performers and writers.

Recently one of our Winnipeg producers complained that his attempt to produce a drama series there was frustrated because he could not locate enough of the right type of actors who could leave their main jobs at the same time to rehearse together.

The alternative to the present C.B.C. policy would be to employ more beginners and lower the incomes of the more proficient. This de-grading process would not only add further insecurity to an already insecure profession, but would undoubtedly break down the highly professional standards that we have been years in building.

Mr. McCLEAVE: Mr. Chairman—

The CHAIRMAN: Mr. Fortin had a question first.

Mr. FORTIN: Mr. Chairman, I would like to put my questions in French, if you do not mind.

The CHAIRMAN: By all means.

Mr. FORTIN (*Interpretation*): Mr. Chairman, my first question is as follows: it is difficult for us to insist too much on this matter of the repetitive appearances of actors on television because we are not allowed to mention names, but the first thing we must say is that when there is the Teletheatre on the French network of the C.B.C. we see the same artists coming back practically all the time. That is my first point.

The CHAIRMAN: Just a moment. Would you like to answer that, Mr. Jennings?

Mr. JENNINGS: I would like to ask Mr. Ouimet to come in on that. I know that he follows Teletheatre.

Mr. MARCEL OUIMET (*Deputy Controller of Broadcasting, Canadian Broadcasting Corporation*): (*French—not interpreted*)

Mr. FORTIN: You may answer in English, if you like.

Mr. OUIMET (*French—not interpreted*)

Mr. PAUL: Pourquoi?

Mr. FORTIN (*French—not interpreted*)

The CHAIRMAN: Let us have the translation first.

Mr. OUIMET (*Interpretation*): It will be easier for me in French than in English. If the word does not come to my mind, then I will go back to English or vice-versa. As for these allegations that the same people always show up on Teletheatre, you must not overlook the fact we have only a very restricted number of people to call upon.

The INTERPRETER: At this point I think Mr. Dorion interjected "why"?

The CHAIRMAN: It was Mr. Paul.

Mr. FORTIN (*Interpretation*): I wanted to ask, is this not due to the lack of C.B.C. cooperation in allowing young artists to flourish their talents?

The INTERPRETER: The answer of Mr. Ouimet began, "On the contrary"—and was then interrupted.

Mr. OUIMET: In order to speed the proceedings I would say on the contrary, Mr. Fortin. If we gave you a list of new talent which has been discovered in the last six or seven years by the C.B.C.—particularly in the drama field, and young people at that—you would be completely astonished. I am ready to stand by this statement.

Mr. TREMBLAY (*Interpretation*): Do you proceed by means of a competition to obtain the services of these new artists to which you are referring?

Mr. OUIMET: Yes, we proceed through the services of the audition bureau.

Mr. JOHNSON: Is this the same as the casting bureau?

Mr. OUIMET: The casting bureau has the responsibility to organize the auditions. But the casting bureau, as such, is not responsible for the decisions taken. The auditions are conducted, as a rule, by two or three outsiders, with the cooperation of one C.B.C. representative.

Mr. TREMBLAY (*In French—not interpreted*)

The CHAIRMAN: Gentlemen—

Mr. TREMBLAY (*Interpretation*): This is a supplementary question. Does the bureau which examines the candidates, does it consist of C.B.C. technicians, administrative personnel, artists or, is it equally represented by various people from the C.B.C.?

Mr. OUIMET (*In French—not interpreted*)

Mr. TREMBLAY: Mr. Chairman—

The CHAIRMAN: Mr. Tremblay, we have only half of Mr. Fortin's answer.

Mr. TREMBLAY: This is a supplementary.

The CHAIRMAN: Is it on this point?

Mr. TREMBLAY: Yes.

Mr. TREMBLAY (*Interpretation*): Do these experts include dramatic or musical people?

Mr. OUIMET (*Interpretation*): They do include—this is the first part of the answer; they do include drama and music experts. They are recognized as experts. I do not wish to give their names now, but if you had these names you would agree they are people who have the general respect of the public.

Mr. TREMBLAY (*Interpretation*): Is there a number of these people? How many are there? In the case of the experts, are they numerous? Do they include comedians or music critics? Are they sufficiently numerous? How many are there: one, two or three experts, for example?

Mr. OUIMET: The audition bureau are never made up of less than three people.

Mr. TREMBLAY: You say that this audition bureau never has less than three people. Let us take a specific case, where you have, in fact, three people. Do you have artists, comedians, or other people working in the particular field involved?

Mr. OUIMET: If the audition is concerned with candidates for announcing, necessarily, in this case, the audition bureau will be made up of people who know something about announcing. If the audition is conducted with regard to musical talent then we hire people who know something about music. If the audition is concerned with drama, we hire people who know something about drama.

Mr. TREMBLAY: How many?

Mr. OUIMET: As a rule, I would say two outsiders.

Mr. TREMBLAY: And one person from the C.B.C.

The CHAIRMAN: May we get back to part of Mr. Fortin's question that was not translated?

The INTERPRETER: This is the remainder of Mr. Fortin's remarks made in French. My second point is regarding the repetition dramas. I do not know if what I am going to say enters into the field of the agenda, but I wish to point out that in Quebec the dramas are habitually immoral in this sense, that 50 per cent of the time we see family dramas involving split-up homes. We do not see happy families who are living in a decent, proper manner.

My third point is, when there is a drama of public interest—and I would give as an example the recent program *Deux Tours d'Horloge*, it is quite immoral, and I say in the public interest that serious doubts are posed as to the efficiency of the police force in Canada. I would appreciate it if Mr. Bushnell would reply to this.

Mr. BUSHNELL: I shall be very happy to reply, Mr. Fortin. You must, I think, recognize that I am one of these unfortunate persons who does not speak the French language as fluently as he should. I watch with great interest some of the very fine productions that are carried on the French network over CBOFT in Ottawa, and I have heard these statements made before. May I suggest to you, Mr. Fortin, that immorality is a matter of opinion.

Mr. TREMBLAY: No.

Mr. FORTIN: I am sorry; I do not agree.

Mr. BUSHNELL: All right; I mean, the degree of morality may be a matter of opinion. Thank you for correcting me.

But I would suggest that if this were actually the case, there would be a great public outcry.

Mr. FORTIN: There is, Mr. Bushnell.

Mr. BUSHNELL: Well, Mr. Fortin, if that is the case, I am indebted to you for bringing it to our attention. But I must say that to the best of my knowledge there has been no strong—certainly there has not been any written protest, and I should think that some of these family dramas that I assume you are referring to are certainly well received; they have a very big audience, and if they were as immoral as I think you are suggesting—

Mr. FORTIN: Well, Mr. Bushnell—

Mr. BUSHNELL: —I believe we would hear about it.

Mr. FORTIN: I am sorry to interrupt you, Mr. Bushnell; but if you give a piece of chocolate to a child, he will take it, and he will be glad to take it; but that does not mean it is good for him.

Mr. BUSHNELL: Is there anything wrong in that, Mr. Fortin?

Mr. FORTIN: That does not mean it is good for him. Ask Dr. Fairfield.

Mr. OUIMET: Mr. Chairman, may I make a supplementary comment on this. I do not know where Mr. Fortin secured statistics to the effect that 50 per cent of the dramas generally produced on the French network are immoral. This seems to me to be a fairly sweeping statement. At the same time, if the C.B.C. French network has been under fire at various times—and more particularly so for the last few weeks, because of a certain regrettable incident—may I point out that we should be proud of one thing, that the C.B.C. French network is considered throughout the world as the No. 1 French network. The hon. member for Halifax had occasion to be with me in Paris during the month of November, and he knows this. This was while I was a member of the delegation to UNESCO, and I also looked after radio business, when I had some free time. It is thus that I had the pleasure of seeing and hearing the director general of the French television get up to his feet and propose a toast to the No. 1 French network of the world. This, coming from a country with 48 million people, is a pretty nice homage, and I should think that we should be very proud of what has been accomplished over the last

five or six years by and for 5½ million of our French speaking compatriots, irrespective of the fact that there may have been errors at times.

Mr. FORTIN: If you have given the C.B.C. opinion, I hope the newspaper-men will publish that.

Mr. BUSHNELL: I hope so too.

Mr. McCLEAVE: Mr. Chairman, I would first like to bear out the remarks of Mr. Ouimet, my colleague on that particular delegation. I would like to ask Mr. Jennings or Mr. Ouimet if, to their knowledge, there have been any cases where husband and wife teams work together on programs, the husband as a producer and the wife as one of the stars of the show?

Mr. JENNINGS: Where the husband is a producer and the wife is performing, or vice versa?

Mr. McCLEAVE: That is right.

Mr. JENNINGS: Let me think for a second. There could have been such cases—I do not know—but I can find out.

Mr. McCLEAVE: Further to that, it is a point, I think, of very important appearances—is the producer the person who hires or recommends for hiring the performers?

Mr. JENNINGS: He is the man who casts the show.

Mr. McCLEAVE: He chooses the star?

Mr. JENNINGS: He chooses the star and he chooses the cast.

Mr. McCLEAVE: Is there not a danger—if such a thing does happen and I have been told it does; though I do not personally know—that to outsiders who are aware the husband is the producer and his wife is the star of the show, do you not think that it puts you in a position where you are vulnerable to public criticism?

Mr. JENNINGS: I do not know of a case where the husband is a producer and the wife is the star of a series. As I say, I will try and get that for you.

The CHAIRMAN: We will get that information for you later. Are there any other supplementary questions on this one point of Mr. McCleave's?

Mr. JOHNSON: I think I heard Mr. Jennings say that the producer casts the show.

Mr. JENNINGS: That is right.

Mr. JOHNSON: Does that imply he reads the text over and decides on who is going to provide a certain text?

Mr. JENNINGS: Yes.

Mr. JOHNSON: Is there not any duplication with the text bureau—I do not know what is the name: in Montreal they call it bureau.

Mr. JENNINGS: The casting bureau.

Mr. JOHNSON: Yes; is there not some overlapping between the job of the producer and the casting bureau and the script bureau?

Mr. JENNINGS: The casting bureau, in the first place, is a service department designed to organize the availability of a pool of talent, to list in a general way the abilities the artists have for certain kinds of roles in television, what their looks are like, and so on.

The producer, in taking the script he is going to produce, must read it carefully, must realize in his mind how he is going to achieve the purpose of the script—to realize the script. He must be conceiving these characters in his own mind. Then, with the assistance of the casting bureau, with its files and photographs and descriptions of artists' capabilities and so on, he searches for the best people for the roles he visualizes in his mind.

Mr. JOHNSON: Does that imply that the script bureau has already read this script?

Mr. JENNINGS: Yes.

Mr. JOHNSON: And approved of it?

Mr. JENNINGS: Yes.

Mr. JOHNSON: Before it gets to the producer?

Mr. JENNINGS: Yes.

Mr. JOHNSON: Can the producer refuse a text?

Mr. JENNINGS: Oh, yes. It would be a most unfortunate position if the producer who was completely out of sympathy with the text was "flogged" into producing it.

Mr. JOHNSON: Does he refer to the casting bureau for the necessary people to act in his play?

Mr. JENNINGS: Yes.

Mr. SMITH (Simcoe North): Mr. Jennings, as a matter of fact, you spoke about the necessity of giving performers enough work to keep them busy in Canada; but how does the C.B.C. feel about some of your very busy performers whom we see quite often suddenly reappearing half an hour later on a commercial?

Mr. JENNINGS: How do we feel about it?

Mr. SMITH (Simcoe North): Do you feel that is—

Mr. JENNINGS: Purely as a commercial spot, do you mean?

Mr. SMITH (Simcoe North): Yes: does that sustain the artistic integrity we strive for?

Mr. JENNINGS: Quite frankly, at times we have not been too happy about specific incidents. It is something that is very difficult for us to control. I think the impression would vary a great deal, for instance where a man or woman has finished a very serious performance, or is about to put on television a very serious performance, to suddenly see them plugging some product.

Mr. SMITH (Simcoe North): It seems to me to be getting more and more common.

Mr. JENNINGS: This is because performers are becoming more and more popular with the public; they are becoming bigger stars, in a sense, and therefore the advertisers are very aware of their selling value in spots.

The CHAIRMAN: They are all free-lance, are they not?

Mr. JENNINGS: Oh, yes.

Mr. DORION: I would like to ask Mr. Jennings about the question of repetitive performers; I have some questions to put to you. I saw an agreement between the Canadian broadcasting corporation and the Canadian council of authors and artists, in which there was a very astonishing clause. I have never seen such a clause in any contract between employers and employees, and I would like to know why this clause should be. I read the article—No. 37—for performers in television broadcasting:

The corporation agrees that any person having authority to engage or direct the services of performers, who demands or accepts any fee, gift or other remuneration in consideration of the engagement of performers shall be disciplined. The C.C.A.P.A. agrees that any performer guilty of offering improper gifts or soliciting engagements by offering gifts or payments shall be disciplined.

First of all, I suppose that you had complaints about that, that certain producers asked for gifts to engage some performers? Is it true, or not?

Mr. BUSHNELL: May I answer that, Mr. Chairman?

The CHAIRMAN: I do not see exactly where this fits in with repetitive performers. Can you tell me where that fits in?

Mr. DORION: It is an aspect, because we see always the same persons, and this is an examination which was brought before the committee. I believe one of the reasons is that certain producers do receive money or gifts, from performers. This is information I have received—very serious information.

The CHAIRMAN: Your question is: why was that?

Mr. DORION: Why is there this clause? Have you had any complaints about that—about that procedure?

The CHAIRMAN: May I ask first: is that current at the present?

Mr. JENNINGS: I presume that Mr. Dorion is reading from a current contract.

Mr. DORION: Yes, from March, 1957 to October, 1958.

Mr. BUSHNELL: May I answer that, Mr. Dorion? That accusation has been made in the entertainment business as long as we have had the entertainment business. It will never stop. To the best of my knowledge, it has never been proven, and if it can be proven, that clause means precisely what it says; that if anyone—you or anyone else—can bring us facts and figures that any of the producers received any emolument of any kind, gifts or otherwise if he demanded it from any artist, I do not care who he is, he will be dismissed.

Mr. DORION: I acted many times in these sort of agreements. I never saw such a clause. I suppose that clause was enacted, was passed—accepted—because there were complaints from somebody. Did you receive complaints?

Mr. BUSHNELL: Complaints, no.

Mr. JENNINGS: There are always rumours floating around in this kind of business, and I presume because of those rumours that clause was put in. But, as Mr. Bushnell said, we have not received any complaints; but if we do receive any complaints that are backed up factually, we will do what Mr. Bushnell has said we will do.

Mr. BUSHNELL: We will fire them.

Mr. DORION: It was the result of discussion. I suppose, that that clause was accepted?

Mr. JENNINGS: I would have no idea whether that clause was put forward by the C.C.A.A. or the C.B.C.

Mr. DORION: Did you have anything to do with the discussion about that clause?

Mr. JENNINGS: Not personally, no.

Mr. DORION: Then you do not know why that clause is there?

The CHAIRMAN: He answered—a preventive measure as a result of rumours.

Mr. DORION: There was a reason. I have never seen that in any agreement.

The CHAIRMAN: What is your question?

Mr. BUSHNELL: Do you not think it is a good preventive measure?

Mr. DORION: Is it true that the directors of radio Canada wrote letters to every producer who had loans from certain performers to producers? Did you ever write a letter to the producers asking them to reimburse these loans?

Mr. JENNINGS: This is the first I have heard of that.

Mr. DORION: Maybe you are not aware of it, but the information I have is very serious.

Mr. BUSHNELL: All right; it may be very serious and we regard them as very serious. But will you please—or someone please—prove them. Will someone please bring the facts to us, and when they are proven, those people will be fired. It is the policy of the corporation not to permit trafficking of any kind.

Mr. DORION: I am not here to prove anything; I am here to investigate, and when I see a clause like that in a contract, I cannot understand it. It is the result of discussions, and during those discussions surely certain complaints were brought.

Mr. BUSHNELL: May I say this: I was director general of programs for the corporation for 15 years. My colleague and associate at that particular time was Mr. Marcel Ouimet. I can never recall a time—from the very beginning when I started on November 1, 1933, in national radio—when such charges were not made.

Mr. DORION: Not just that. I do not accuse anyone. I am sure you had nothing to do with that, and I am sure that Mr. Ouimet has nothing to do with that. I speak about the agreements between producers and performers only.

Mr. BUSHNELL: Again—

Mr. PICKERSGILL: I would like to raise a point of order, Mr. Chairman, before this discussion proceeds. Mr. Dorion has mentioned a letter, or an alleged letter that was supposed to have been written.

Mr. DORION: No, I did not allege any letter—it was information I received, verbal information—and serious.

Mr. PICKERSGILL: The point of order is precisely this: has Mr. Dorion any personal knowledge of any such letter, or is he merely repeating gossip?

The CHAIRMAN: Do you wish to speak to that, Mr. Dorion—to the point of order?

Mr. BELL (Carleton): It is surely not a point of order.

Mr. DORION: I did not mention any letter; I mentioned that I received serious information from someone who is in a position to give me this information. I have in my hand the agreement, and that clause was astonishing, because I have never seen such a clause in any contract—and I have acted very often on arbitration boards, for example, and I had to prepare agreements. I have never seen a clause such as that.

The CHAIRMAN: Mr. Dorion, you suggest that clause should be reviewed by C.B.C., do you?

Mr. DORION: No; I suggest that Mr. Bushnell or Mr. Ouimet may know why this clause is there. If it was as the result of a discussion or complaints brought to the attention of someone—

Mr. OUIMET: As Mr. Bushnell has pointed out, these rumours have circulated over a number of years. We are in touch at the moment with the Association of producers, and they are dead against what has been alleged to be a practice—what has been alleged to have been a practice—and we hope to come one day to an understanding with the association of producers, between C.B.C. and the producers, for joint action. There may be some black sheep among the flock; the whole flock does not want to be blackened because of one or two who we just cannot catch, perhaps.

Mr. DORION: Did you take any disciplinary action against anybody?

Mr. OUIMET: How can you take disciplinary action unless you have evidence. You cannot produce evidence.

Mr. DORION: Have you taken any disciplinary action in dealing with this clause?

Mr. JENNINGS: No.

The CHAIRMAN: May I suggest that Mr. Jennings is going to look that up, and he can tell us next time.

Mr. DORION: I would like to know from Mr. Ouimet—

The CHAIRMAN: It is definitely in this area?

Mr. DORION: Yes, exactly. I should like to know from Mr. Ouimet if he believe himself that morality is a question of opinion.

The CHAIRMAN: What has that to do with repetitive performers?

Mr. PICKERSGILL: That question was asked some time ago, and disallowed.

Mr. DORION (*Interpretation*): Mr. Chairman, I wish first to say that I do not want the impression to be created that the C.B.C. as a whole is not doing a fine job. I must say that in my opinion the C.B.C. is an essential and necessary institution. It is one which is very much to our honour to a great extent. Of course, we are here to inquire into any errors or defects they may have, and I do not want to create the impression that the C.B.C. is such a *bête noire*—far from it.

The CHAIRMAN: That is a statement, and that is what we have been trying to keep to a minimum.

Mr. PICKERSGILL: Mr. Chairman, I have been trying for a long time to ask a supplementary question on the question raised by the hon. member from Montmagny-L'Islet. My question to Mr. Ouimet is this: has the C.B.C. received from the religious authorities—from the episcopal authorities—any considerable number of protests over any length of time about the morality of their work?

Mr. TREMBLAY: Yes.

Mr. DORION: Yes.

The CHAIRMAN: These are the witnesses, here.

Mr. OUIMET: We have had protests on occasion for certain plays. They have been mostly individual protests. I would say that the action taken by the Assembly of Bishop a couple of weeks ago was quite unprecedented. The individual Bishops may write us; some associations may write us. But as a rule our programs—I would say the acceptancy of the French programs on the French networks of the C.B.C. is about the highest you can find anywhere in the world.

Mr. PICKERSGILL: Then I would like to ask the witness if the political moralists we have here this morning are not rather exceptional?

The CHAIRMAN: May I ask, what has that to do with performers?

Mr. FORTIN: It is an opinion he is asking.

Mr. SMITH (*Calgary South*): Mr. Chairman, some time ago Mr. Jennings read a statement, and one of the disadvantages of not having a copy is that I cannot quote his wording. But he made a reference, as I recall, to the fact that the C.B.C. has to assume a large responsibility for using Canadian talent, because few other people—and I assume he meant broadcasters—did not. Was that the crux of your statement?

Mr. JENNINGS: It was; and I would rather I had worded it in a different way.

Mr. SMITH (*Calgary South*): Would you, perhaps, do this for us? Would you tell us what is the basis of fact for your argument? Are you quoting from Mr. Fowler, or have you made a survey? Just for our information I would like to know what is the basis of fact for this statement Mr. Bushnell. I caught that phrase in Mr. Jennings' statement, and I asked his permission, as a matter of fact, to qualify it. I think it was the reference to the fact that artists were not encouraged to any great extent.

Mr. JENNINGS: That is it.

Mr. BUSHNELL: Certainly no aspersion was intended. There have been, and there are, as a matter of fact today, and particularly in the television field, privately owned stations that are encouraging a very great number of artists, and we are happy to see that. This may well lead to a migration to a central point, and this does go on but we are very happy today that the private stations are doing that. We have a bigger stage for these people to play on, and we welcome them.

Mr. SMITH (*Calgary South*): The point is it was not a factually correct statement.

Mr. BUSHNELL: No.

Mr. SMITH (*Calgary South*): The second question is dealing with this. You also made a reference in the last part of your statement about the low-paid business of being an actor or a performer. That is interesting, because we have all seen an example of that recently—without naming a name--and you are losing that individual who is going to an American network.

Generally speaking, I think of a total of some \$42 million; \$19 million last year was paid for talent, and so on.

Mr. Chairman, you may rule this should come later: what are you doing to try to maintain a better balance? Or would you prefer to deal with that under "recruitment"?

The CHAIRMAN: Yes. Mr. McIntosh, you had a question to ask, and then Mr. McGrath followed by Mr. Tremblay.

Mr. MCINTOSH: Mine is a supplementary question to what Mr. Smith has just asked, and it relates back to the statement Mr. Jennings made, when he referred to competitive salaries. What did you mean by that? Did you want to compare that with other artists in Canada, or other fields—like the Prime Minister who gets \$37,000 a year, and some of these artists get more than that? What number get more than, say, \$2,000 a month? What are you comparing it to? Are you comparing it to the United States artists?

Mr. JENNINGS: Excuse me, until I find the section, because I may have misread it.

The CHAIRMAN: While Mr. Jennings is looking it up, Mr. McGrath, another question?

Mr. MCGRATH: My question was supplementary to Mr. Pickersgill's, and has to do with this: would recent events not dictate to the C.B.C., Mr. Bushnell, the necessity or the advisability of establishing—particularly bearing in mind the goal or the aim of the C.B.C. in providing basically Canadian programs—

The CHAIRMAN: Mr. McGrath, Mr. Pickersgill's question was not on this. This deals with repetitive performers, and I doubt if yours is going to.

Mr. MCGRATH: May I finish, because it does cover drama. It is under this item here.

The CHAIRMAN: Repetitive performers?

Mr. MCGRATH: Repetitive performers, drama, and so on.

The CHAIRMAN: All right, continue.

Mr. MCGRATH: The advisability of establishing some sort of program advisory board, where you could call on outside representatives of large groups in various areas of Canada to give advice to the production centre of the C.B.C. as to just exactly what would be in good taste and what would not.

Mr. BUSHNELL: I would like to—

Mr. MCGRATH: This is not the censorship.

Mr. BUSHNELL: No, I understand that. As a matter of fact that was tried in the very early days of the C.B.C., when Mr. Gladstone Murray was the general manager. It was an experiment that was conducted in western Canada. Quite frankly, we found out that with one exception, and that was in the three prairie provinces, there was only one advisory committee which was worth its salt.

What happened was, as soon as the appointments were made to these various advisory committees all the local artists got after each member in the various fields—these members of the advisory committee came from various sections of each province, and they got after them for a job. There was nothing particularly wrong with that. They brought them to our attention, but, for the most part, they were not any good. The advisory committees just did not work out as we anticipated.

Mr. MCGRATH: Might I suggest, Mr. Bushnell, in the case of a sponsored program, for example, there would not be any problem, because it would be the sponsor's responsibility?

Mr. BUSHNELL: No.

Mr. MCGRATH: First, let me finish. Would you be a foolish sponsor if you did not take responsibility upon yourself of making sure the sponsored program did not displease your audience?

In the case of sustaining programs, would it not be adviseable, in these cases, to draw on somebody outside, to fill that gap which would be created by lack of a sponsor?

Mr. BUSHNELL: Yes, it might be.

Mr. MCGRATH: Surely you would preclude any controversy that way?

Mr. BUSHNELL: Yes.

Mr. TREMBLAY: Mr. Chairman, I would like to put some questions to Mr. Ouimet.

The CHAIRMAN: This is on these repetitive performers?

Mr. MCINTOSH: Could I have an answer to my question first?

The CHAIRMAN: What was that?

Mr. MCINTOSH: Mr. Jennings was looking it up.

Mr. JENNINGS: This was on "Competitive salaries". The meaning of that is that we try to offer enough to performers to keep them interested in working as radio and TV performers, and not to have to seek outside jobs. That is the point I made about the Winnipeg show; the producer could not get the people together for rehearsal at the time they were wanted because they were working at outside jobs.

Mr. MCINTOSH: My question was with relation to the word "competitive"—competitive with whom?

Mr. JENNINGS: Other forms of making a living, particularly outside the entertainment field.

Mr. MCINTOSH: The second part of my question was this: how many of your performers are getting more than the Prime Minister?

Mr. JENNINGS: I could not answer that off the bat.

The CHAIRMAN: That, I would suggest, has nothing to do with it. That would come under "Personnel" though.

Mr. MCINTOSH: It is certainly competitive.

The CHAIRMAN: Would you like that question answered under "Personnel"?

Mr. MCINTOSH: This is referring to the allegations, is it not?

The CHAIRMAN: This is "repetitive" and not "competitive". We will get that under "Personnel".

Mr. TREMBLAY (*Interpretation*): Mr. Ouimet, would you please tell us if there do not exist in the C.B.C. people who are at one and the same time performers and authors writing scripts and playing in those scripts?

Mr. OUIMET: This happens in precisely the same way as it happens in other countries of the world.

Mr. TREMBLAY (*Interpretation*): I have a supplementary question for Mr. Ouimet. Could you please tell me also, if you consider it normal that authors should be engaged for 10, 15 or 20 years by the C.B.C. instead of flourishing young talent which could be recruited?

Mr. OUIMET: I would say, on the French network we are not doing too badly. We have developed new authors over the last 20 years. Of course, there may be some who are still on the air who were also on the air at the time of radio. Through some circumstances and because their "product" was a well established product, we were able to transfer it to television and were able, again, to make a very great success of it. Who are we to stand against the popularity of these particular shows?

Mr. FORTIN: The one you are thinking of is my favourite program.

Mr. OUIMET: You know the one I mean?

Mr. FORTIN: Yes, I like it.

Mr. TREMBLAY (*In French—not translated*):

The CHAIRMAN: This may be out of order. May I have the translation?

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, reports were tabled on the employment of some commentators for different sections, or different programs for the year 1958.

The CHAIRMAN: That will come under "C", under "Repetitive appearances of commentators".

Mr. TREMBLAY: I would like to ask for information for the purpose of tabling some documents.

The CHAIRMAN: For that time?

Mr. TREMBLAY: Yes, for that time.

The CHAIRMAN: Yes, all right.

Mr. TREMBLAY (*Interpretation*): I would like it if we could be provided with a report on the employment of these commentators for the years 1956 and 1957—and 1955 as well.

Mr. OUIMET: Would you be satisfied—Mr. Chairman, may I ask Mr. Tremblay if he would be satisfied with the figures we have? I believe that when we were expecting the committee to sit last spring we had lists prepared which date back to September 1, 1956. Would this be agreeable to you? It will cover the last four months of 1956 and the whole of 1957. We can go back further, but it will mean, again, a delay of a couple of weeks before we can put them together, if we have to go back to January 1, 1956.

Mr. TREMBLAY: I would like you to go back to 1955, 1956 and 1957.

Mr. TAYLOR: Dealing specifically with item 4, is it not true many repetitive performers are dropped at the height of their popularity?

I want to refer to three statements in the press, and I do not pass any comment on any particular stars, but will just make general statements.

The *Vancouver Sun* says:

In this past season the Barris Beat was introduced. It featured personality Alex Barris, placed its accent on comedy and won three national awards as well as a large following.

The article goes on to say:

But nowhere is the Barris Beat to be found in the C.B.C.'s 1957-58 line-up.

The other article deals with this subject, and this is from the *Vancouver Sun* and says:

Despite the official party line that Cool Pepper is expiring as per schedule, I hear it is being entombed because the C.B.U.T. brass does not like jazz.

Then it deals with the popularity of the program.

The CHAIRMAN: What has that to do with repetitive performers?

Mr. TAYLOR: My two questions are these: when they are dropped, why does the C.B.C. not tell the viewers why they are dropped? It has often been alleged they do not always kow-tow to the C.B.C. brass, and they are dropped. Why do you not tell the audience they are dropped—because of sickness, no sponsor, or because their ratings are down?

The CHAIRMAN: I still do not know what it has to do with repetitive performers.

Mr. JENNINGS: I do not know that there is any mystery surrounding this, and it might be for one of half a dozen reasons that it comes to an end. I am very certain we do not drop performers for the sake of dropping them, at the height of their popularity, and it would be extremely silly to do so.

Mr. TAYLOR: I have referred to it, and there is another comment. The writer goes on to say:

It is quite a mystery.

And he could not get the reason from them.

The CHAIRMAN: Would you tell me what this has to do with repetitive performers?

Mr. TAYLOR: If they are top stars, why do they not keep them, even if they do not agree with the C.B.C. brass?

Mr. JENNINGS: I do not know of any case, or see any common sense in the C.B.C. dropping a top performer who was appealing to the viewing or listening audience. These opinions can be expressed but—

Mr. CARTER: I have referred to three specific shows.

The CHAIRMAN: We are going to have to close this meeting off.

What is your wish? Shall we meet this afternoon in this room at 3:45?

Agreed.

The CHAIRMAN: And then again on Thursday at 9:35?

Agreed.

Mr. FORTIN: Is it agreed for the afternoon?

The CHAIRMAN: We will meet this afternoon.

Mr. DORION: For the next meeting I would like to have a copy of the agreement between the Canadian Broadcasting Corporation and the Canadian Authors and Artists for writers in television broadcasting.

The CHAIRMAN: That will come under "Personnel".

Mr. JENNINGS: Is this not what you are quoting?

Mr. DORION: It is May, 1955, but I believe it was renewed.

Mr. TREMBLAY: On the question of repetitive performers, I would like to ask for those regulations—

The CHAIRMAN: We will carry on with this this afternoon.

## AFTERNOON SESSION

TUESDAY, June 9, 1959.  
3.45 p.m.

The CHAIRMAN: We have a quorum, ladies and gentlemen. We are continuing this afternoon where we left off this morning, with item No. 4 of part "A", the examination relating to repetitive performers.

Mr. TREMBLAY (*Interpretation*): Mr. Ouimet, could you please tell me if the artists from France or Europe in general have to submit themselves to an audition conducted by the audition service of the C.B.C.?

Mr. OUIMET: It all depends, Mr. Chairman, on whether they are established artists or whether they are newcomers. If they are newcomers, they are submitted to auditions, like anyone else. Moreover, if they want to establish themselves in Canada, they have to qualify with the Union des Artistes.

The CHAIRMAN: Mr. Tremblay, once again, please—

The INTERPRETER: There is a supplementary question.

The CHAIRMAN: I realize that. But, once again, please, we are talking about repetitive performers. New artists from France, or some person coming in, has nothing to do with repetitive performers, in the opinion of the chair.

Mr. TREMBLAY: On a point of order, Mr. Chairman; I would like to point out the fact that we are talking about repetitive performers. Mr. Ouimet stated this morning that there is a choice and these performers are given an audition, and I would like to know if—

The CHAIRMAN: Very well, carry on.

Mr. OUIMET: In the case of new performers, definitely.

Mr. TREMBLAY: I would like to know from Mr. Ouimet what he means by "newcomers" in that field?

Mr. OUIMET: Mr. Tremblay, I do not believe you would ask such people as Edith Piaf, Charles Trenet—and I could go on for hours—to go through an audition before we use them. We have a way of auditioning these people, and that is through the records which they put out quite regularly.

Mr. TREMBLAY (*Interpretation*): Thank you, Mr. Ouimet, for the answer; but I think we are slipping a little away from the ambit of what I am getting at. All I am asking you is this: regarding newcomers, as far as French performers are concerned—I am not, of course, talking of the big artists or performers of international repute—but what is involved is a matter of degree. I would like exact information on this.

Mr. OUIMET (*Interpretation*): It is difficult to reply to this question because, after all, we would have to define what is meant by an established performer and a non-established performer. In the final analysis it all depends on the judgment of the program directors. If you dealt with someone who is fresh out of the Conservatoire de Paris, he would go through an audition like any other performer. If you deal with an artist who already has five, six, or seven years of experience, we would still, probably, ask him to submit himself to an audition. It would not, perhaps—and I want you to note this—be carried out, so to speak, on a closed circuit, but we would try him out once or twice on the air to judge whether he was apt to be given the work involved.

Mr. OUIMET: If I may clarify this further, Mr. Chairman; before we can use such a performer he would have to secure a work permit from the Union des Artistes, and he can secure so many work permits—I believe it is six—before he is definitely asked to join the ranks of the union.

Mr. JENNINGS: Mr. Tremblay, the purpose of the audition is merely to find out what a person's work is like; that is the basis of it.

Mr. TREMBLAY (*speaking in French*)—

The CHAIRMAN: Are you sure this would not fit better under No. 8, the programming recruitment of new talent?

The INTERPRETER: Excuse me; the interpretation of that was, "one final question". That is for the record.

The CHAIRMAN: You are talking about the recruitment of new talent now, are you?

Mr. TREMBLAY: Not exactly; I am talking about repetitive performers and I am inquiring about the way—

The CHAIRMAN: The way they may be new talent?

Mr. TREMBLAY: You choose the performers, and Mr. Ouimet stated this morning that there is an audition bureau to make the choice of those performers. I think it is quite relevant to this question.

The CHAIRMAN: All right; you have one more question, Mr. Tremblay, have you? Continue.

Mr. TREMBLAY (*Interpretation*): Mr. Ouimet, may I please ask you if there exist written regulations regarding the criteria which can in the final analysis be applied by those people working in the auditions bureau, or auditions service?

Mr. OUIMET: The people who sit on these audition boards work with a form which takes into account—let us say that you are dealing with a vocalist—the personality of the vocalist: if the audition is for television, her appearance definitely counts. It also takes into account the quality of the voice, the quality of the diction, the quality of enunciation, the poise of the individual concerned. In fact, I would imagine there are about—if my memory serves me right—eight or nine chapters under which the individual concerned happens to be judged.

If I may be allowed to add one thing at this point, Mr. Chairman, I think this would help to clear the matter further. Perhaps it would help some of the members of the committee in their further line of questioning if I could read into the minutes some statistics which I secured at noon concerning the employment of talent in Montreal. I rapidly jotted down the figures for April. Necessarily, we have no figures for March, February and January because at that point the French network, as you know, was on strike, or immediately recovering from the strike. I have the figures for December, 1958, November, 1958, October, 1958, and September, 1958.

The CHAIRMAN: Once again, Mr. Ouimet, this is on the number of times—

Mr. OUIMET: This deals with the repetition of talent.

The CHAIRMAN: Then may we have your statement?

Mr. OUIMET: In September, 1958, there were 923 artists used on the television network of the C.B.C.—French. 839 were talent used previously, 84 were new talent. In October, 1958, 1,243 artists were used; 1,071 were used previously and 172 were new talent. In November, 1958, 1,326 were used; 1,164 were used previously and 162 were new talent. In December, 1958, 1,198; 1,046 used previously and 152 new talent. In April 1959—which is just two months ago—we used 1,351 artists; 1,123 had been used previously and 228 were new talent.

Of course, it must be pointed out that in Montreal live production range from 50 to 56 hours a week, as compared with about 36 hours in Toronto, or as compared, again, with the over-all service of the R.T.F. (the French Broadcasting System). This is why I made the statement this morning that the

French network was the No. 1 French Network in the world. And we do this with a pool of performers that runs to hundreds, not to thousands like they can do in Paris.

We have performers on the French network who began as child actors; we still have them. We do not exactly hire them in their cradle but practically. They come to us from excellent drama teachers and they also have come to us in the last few years from the Conservatoire d'art Dramatique de la province de Québec, who at last founded a class on drama, which they did not have for a number of years.

Mr. TREMBLAY: A supplementary question, Mr. Chairman, on the statement made by Mr. Ouimet. How many artists from France or other countries were at that time employed by C.B.C.?

Mr. OUIMET: There, again, you would have to qualify your question. If you mean artists who are regular residents of France—

Mr. FORTIN: Or other countries.

Mr. OUIMET: —or other countries, I believe—I could check this, if you would give me about five minutes, because I have the figures somewhere among my papers here.

The CHAIRMAN: By all means.

Mr. OUIMET: I believe it is less than 100; but I will give you an accurate figure if you will let me go through my papers.

The CHAIRMAN: Are there any other questions on A-4?

Mr. FORTIN: I do not know whether or not my question will come under that heading. If not, it will be up to you to tell me.

The CHAIRMAN: I shall rule.

Mr. FORTIN: Are the foreign performers and artists invited by the C.B.C. paid on the same basis as the Canadian artists?

Mr. JENNINGS: Usually, with any artist it may be a question of negotiating. The scale of fees for artists is laid out in the artists agreements. You have standard minimum scales. A Canadian artist, or an English or French artist might negotiate for a higher fee. A Canadian artist might well get a higher fee than an imported artist.

Mr. FORTIN: Do you, in excess of their fees, pay their travelling expenses and boarding expenses?

Mr. JENNINGS: It might vary. Usually the fee is set on the basis of the performance, and in setting the fee the travelling costs would be taken into consideration. You can have a case where an artist might be appearing in a night club, say in Toronto. He would be booked for a program, and that would not come into the picture at all. But, also, an artist might come from New York to appear, and that expense of the artist's appearance would figure in the fee.

Mr. OUIMET: I am now in a position to give you the figures. From September 1, 1958, to December 29, 1958, there was one artist—one drama artist; what we call in French a "comédien"—who was engaged by the C.B.C. on three occasions. In the field of classical music there were nine artists who had nine engagements. In the field of variety there were 79 who secured 107 engagements. For another period—which is the period from March 9, 1959 to April 25, 1959—six classical artists got six engagements; 28 variety artists got 40 engagements.

Mr. JOHNSON: Mr. Chairman, may I ask a question?

The CHAIRMAN: Is it on repetitive performers, Mr. Johnson?

Mr. JOHNSON: Yes, No. 4.

The CHAIRMAN: In the interest of saving time, I should appreciate it if you would speak in English.

Mr. JOHNSON: I have translated the notes here.

The CHAIRMAN: All right, give it in French.

Mr. JOHNSON (*Speaking in French*):—

The CHAIRMAN: Could I have an interpretation of this; this is beginning to sound like a statement.

Mr. JOHNSON: No, I am asking a question. (*Interpretation*): Because of the nature of the question—and I am putting this to Mr. Ouimet; I am sorry to come back to this question put this morning—but considering the seriousness of what was put forward, or involved, in what Mr. Dorion said, I would like clarification, if only to enable producers to prevent any insinuation which may be made towards them. Could you indicate whether, in fact, there was a case before the income tax appeal board, under the chairmanship of the late Mr. Fabio Monet in 1955, or thereabouts, in which a performer—a radio performer—

The CHAIRMAN: Carry on, Mr. Johnson.

Mr. JOHNSON (*Interpretation*): This would have involved a radio performer who asked that the appeals board consider as deductible certain sums of money given as gifts to people in authority who were entitled, or authorized, to give them work as performers.

Mr. OUIMET: On this one, I am afraid we are not in any better position than anyone else to have a transcript of the proceedings of the Income Tax Appeal Board. As you know, we sometimes see in the newspapers that a certain industrialist or a certain individual has been brought before the Income Tax Appeal Board, but I have yet to see a newspaper report mentioning a name.

Should the artist in question make such a statement? There again, of what assistance would it be to us unless this particular individual would go before the Income Tax Appeal Board and definitely swear, under oath, that he had given such sums to such individuals within the C.B.C.?

Mr. JOHNSON: Supplementary, Mr. Chairman. Then is there any organization in the C.B.C. which could deal with this matter and inquire? This was the case of Rolland D'Amour. There were many witnesses called, notably Mr. Rolland Chenail, Miss Lucille Dumont, and for the artists union there was Mr. Gerard Delage and Bernard Hogue, under whose artist's name is Clement Latour.

Mr. OUIMET: This is the first notice I have had of this case, and again I repeat that unless statements were made under oath as to the persons who may or may not have received gifts, or otherwise, I am afraid that we are not in a position, within the C.B.C., to condemn people with lack of evidence.

The CHAIRMAN: I do not think you should, either. I do not think any other person in the committee feels you should, unless it is absolutely sworn evidence. Are there any other questions on repetitive performers? If not, we will go on to No. 5, international service.

Mr. KUCHEREPA: On No. 5 I have a few questions, Mr. Chairman.

Mr. BUSHNELL: Mr. Chairman, probably I am jumping in a little too soon, but actually I would like to have here the director of the international service, and I should think he would be available on Thursday. We could clear that all up at one time.

The CHAIRMAN: You mean, hold over international service until Thursday?

Mr. BUSHNELL: Yes.

The CHAIRMAN: Is that agreeable, gentlemen?

Agreed.

Mr. TAYLOR: On No. 4—

The CHAIRMAN: We are through with No. 4; I am sorry. What is your question?

Mr. TAYLOR: I was just wondering if audience research showed a repetitive performer as being highly desirable, whether the C.B.C. would drop that performer merely to introduce a new format?

Mr. JENNINGS: If our research showed a program was going successfully—I think I said something like this this morning—we would not drop it for the sake of a new format.

Mr. TAYLOR: In other words, that star would not get on for a good length of time?

Mr. JENNINGS: I think we try to get the most mileage possible out of the people who have the most appeal.

Mr. BELL (Carleton): I would object if you dropped Percy Saltzman.

The CHAIRMAN: No. 6, Films—French and English.

Mr. SMITH (Calgary South): Mr. Bushnell, may I recall something that we discussed during the examination on the question of Canadian content—the number of American films that were being imported? I have reference, of course, to the Fowler Commission on this. I believe you stated that the number was being continually reduced.

Would you be able, at this point, to give us any indication as to what that percentage is? I would be interested to know just how much it has been reduced, and to what extent?

Mr. BUSHNELL: I think, Mr. Chairman, that we can provide those figures.

Mr. SMITH (Calgary South): Without too much difficulty?

Mr. BUSHNELL: Without too much difficulty.

Mr. SMITH (Calgary South): Mr. Bushnell, the problem of having films which you never use, or for which you have little use, is not unlike any other business, where you may have a merchandise or a product which is not too easily merchandized. The committee might be interested to know as to whether this presents a substantial problem.

We hear from time to time—those who are interested in radio and television—that you occasionally carry out a series of programs—having made these purchases—which have been generally unacceptable. We have the instance where you paid a substantial sum of money to an English distributor for the Mantovani film which has not been used. Is this a serious problem, when you purchase a film that has not been used? What is the extent of that in the corporation?

Mr. BUSHNELL: I think the extent is very small. May I just outline briefly the method by which we acquire quite a lot of our film? In buying film, we usually buy in quantity. We have been offered—as you, I am sure, are aware—libraries of M.G.M. and other organizations that happen to be rather elderly films on the market, in packages of 750. We have been asked to buy 750, plus approximately 1,500 shorts.

I am not going to name the packager, but in one case, of those 750 films there were approximately 40 that had won Hollywood awards at one time or another or had been regarded as pictures of great merit.

Then let me go into percentages. I should think that out of the 750 there is probably 40 per cent that are a little above average; there is another 40 per cent that are fair, and there is about 20 per cent that are not very much good, and we would be rather ashamed to show them. Instead of buying such a large library—

Mr. SMITH (Calgary South): What percentage was that?

Mr. BUSHNELL: About 20 per cent. But instead of buying such a large library we have operated on the basis of making a selection of this library, buying probably 40, 50, or maybe 60 films at a time. I am not prepared to tell you for one minute that out of the 60 every one is a good one. But we are offered the package of 60; you take the 60, and among them there are probably going to be two or three that you would be rather ashamed to show, and they are shipped back to the distributor and not used.

Mr. SMITH (*Calgary South*): In this one instance I mentioned, Mr. Jennings—and perhaps you can deny this very quickly—the price paid for the Mantovani film was \$150,000, and that film has not been used. Does that bring anything to your mind, Mr. Jennings?

Mr. JENNINGS: I am not familiar with this at all. I can ask Mr. Gilmore.

Mr. SMITH (*Calgary South*): I am concerned with the cost aspect of this, as to what percentage it is of the total of your productions?

Mr. JENNINGS: The price you mentioned is not correct. The Mantovani series is planned to be used in the coming year.

Mr. OUIMET: It has been used on the French network already.

The CHAIRMAN: Mr. McGrath?

Mr. MCGRATH: Mr. Chairman, is it permissible to discuss films produced by the C.B.C., commercial films, under this item?

The CHAIRMAN: Commercial films?

Mr. MCGRATH: I am thinking of two experiments—I suppose they had better be classed as experiments—in producing canned half-hour shows.

The CHAIRMAN: It could be discussed under this, so we had better take it now.

Mr. MCGRATH: I am thinking of the series *Pierre Radisson* and the *Last of the Mohicans*.

With respect to both these films, could we perhaps have some indication as to the cost of production; if the films were sold abroad, in the United States; and how much was realized from the sale? Were both these films contracted for by the United States networks before the beginning of production? Why was the series *Pierre Radisson* dropped from the C.B.C. TV network before it had completed its run? Could we have answers to these questions for the next meeting?

Mr. BUSHNELL: Yes, sir.

The CHAIRMAN: Mr. Chambers first, and then Mr. Tremblay.

Mr. CHAMBERS: Mr. Chairman, in relation to a series of films that is bought in the United States, either currently made or old ones that have appeared—for instance, the *Sergeant Bilko* series, which is now on—are these purchased by the C.B.C. and sold to the sponsor, or are they purchased by the sponsor and then an arrangement is made with the C.B.C.?

Mr. BUSHNELL: I think, as a matter of fact, Mr. Chambers, that as far as I know, as far as I can recall, unless there has been some recent change, the most we have ever purchased—and this was in the initial stages of our development—is four. We regard them as C.B.C. properties, but we do not make a practice of buying films for sponsors for re-sale. In other words, let me put it much more simply: the sponsors buy them themselves.

The CHAIRMAN: Do you have a supplementary question, Mr. Chambers?

Mr. CHAMBERS: The sponsors buy them, and do you have a right of refusal? Can you say, "We do not like this kind of thing"?

Mr. BUSHNELL: Yes, very definitely.

Mr. TREMBLAY: Mr. Chairman, I have some questions and I would like to put these questions on films in French.

The CHAIRMAN: By all means.

Mr. TREMBLAY: I will read them slowly.

Mr. TREMBLAY (*Interpretation*): These questions are addressed to Mr. Ouimet. I would appreciate it if the answers could be given at the next meeting, if possible.

The first question is: since the inauguration of television how many film programs on the French network have there been—by this I mean, which are filmed and produced either in Canada or abroad?

Mr. OUIMET (*Interpretation*): Mr. Chairman, a distinction must be made between feature films and films which are solely made for television purposes, and even then you run into the hundreds.

The CHAIRMAN: Mr. Tremblay, I would suggest—and I would suggest to each member of this committee—that we are asking the C.B.C. for a mountain of evidence. I know they are going to get everything we ask them for, but a number of people will be required to get a lot of this information. Therefore, I would suggest that we temper to a degree, as much as possible, and ask for the least amount instead of the greatest amount of information. Regarding your question now, there would be a million films, possibly.

Mr. TREMBLAY: Mr. Chairman,—

The CHAIRMAN: In French, if you please, Mr. Tremblay.

Mr. TREMBLAY: My intention is to know what use of films the C.B.C. is making. I realize that I am asking for a large number of films and information. But I said I would like to have that information for the next meeting of this committee, if possible.

If Mr. Ouimet has a—

Mr. OUIMET: We can—

Mr. TREMBLAY: If Mr. Ouimet has a little sense of humour, I think that he is able to realize that I do not wish to have this information for the next sitting of the committee, no. But, Mr. Chairman, if you would permit me, I would like to put some questions.

The CHAIRMAN: Just before we leave this, can we temper your question a little, Mr. Tremblay?

Mr. OUIMET: We can easily give something akin to what we know already about the English network, that is a breakdown of our live production and of our film production.

I mentioned 56 hours of live production a moment ago. These 56 hours are out of a total of 70 hours a week during the winter months. You can figure out that 14 hours are film. They may be filmed in France, in Canada, or filmed by the National Film Board, or dubbed-in Italian films; they may be dubbed-in South American films.

The CHAIRMAN: Would that satisfy you, the amount of time instead of the number of films, Mr. Tremblay?

Mr. TREMBLAY: Mr. Chairman, I know very well the amount of time these questions require, but if Mr. Ouimet would allow me to continue, I have here some precision about my wish.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, if you will allow me, I will merely put a few questions which will be a summary of the wider questions I have in my mind.

Mr. Ouimet may rest assured that I have no intention of submitting him to intensive research with his C.B.C. colleagues.

I would like to know how many films have been put on television during the year 1958. By this I mean films produced either in Canada or abroad.

I am talking of documentaries, films used in an episode manner and films also which are put on for cinema purposes, long films.

Mr. OUIMET: Mr. Chairman, I can attempt it. Thank God we have a few electronic brains which probably are more precise in this case than our own brains.

Mr. CHAMBERS: It seems to me we are submitting the C.B.C. staff to a tremendous amount of work. We have already asked very detailed questions. I wonder if the committee might know the reason why this information is wanted? We have some responsibility with regard to the costs of the C.B.C., and we are here adding to their costs. Perhaps Mr. Tremblay could let us know why he wants this information.

The CHAIRMAN: Mr. Tremblay, can you give us any idea why this information is wanted? We are getting to the point now where I feel you cannot wring another drop of water out of this stone.

Mr. TREMBLAY: Mr. Chairman, it is very easy to answer the question. It is because I wish to know how many films have been used by the C.B.C. in those fields which I said a few moments ago. That is the only reason.

Mr. BUSHNELL: Mr. Chairman, may I make an observation here which, I think, is appropriate?

The CHAIRMAN: Yes, Mr. Bushnell?

Mr. BUSHNELL: Some of you wonder why the C.B.C. has such enormous costs. I think it must be evident from the questions that are being asked that we have to retain a very large statistical department, with reams and reams of reports coming in weekly and daily, just so we will have this information when we appear before you gentlemen. That is part of the cost.

Mr. JOHNSON: Thank you, Mr. Bushnell.

Mr. McCLEAVE: Perhaps they would say why they do not have the information ready for us and explain why.

Mr. BUSHNELL: I do not think we have done too badly yet, Mr. McCleave. I do not think you can say that we have been unable to provide you with any information you want.

The CHAIRMAN: There is no suggestion from the C.B.C., Miss Aitken and gentlemen, that we should not ask them for more information. But I am a business man, and I realize that all this costs money to prepare. Just to satisfy an individual's curiosity I do not think the taxpayers of Canada should have to pay, possibly, \$2,000.

Mr. TREMBLAY: On a point of order, Mr. Chairman, I do not think you are entitled to say it is just satisfying personal curiosity.

The CHAIRMAN: You said that, did you not?

Mr. TREMBLAY: When I sit on the committee I sit as a member of the House of Commons.

The CHAIRMAN: I realize that.

Mr. TREMBLAY: And I sit as a representative of the people, and that is the reason why I put my question to Mr. Ouimet. The only reason I have is to know, and to know as a member of parliament. It seems to me—

Mr. SMITH (Siméon North): On the point of order, I think we should consider carefully asking for statistics that are not kept in the normal course of the C.B.C. operations. If we go beyond that and ask for statistics beyond that, there ought to be a good reason for doing so. We have been given, I think, a fairly accurate idea of the number of filmed programs that are used each week. I think the C.B.C., no doubt, has also some breakdown as between domestic and foreign films.

The CHAIRMAN: Does anybody else wish to speak on it?

Mr. MCINTOSH: Just to keep the record straight: did I understand Mr. Bushnell to say that their statistical staff is just there to give us information?

Mr. BUSHNELL: No, not just to give you information. Mr. McIntosh, I am not trying to pin it down to you, or to this committee; but I think you recognize the fact questions are asked in parliament. Questions are asked by a wide variety of people. We have to have this statistical information. It is not just for you, and I'm sorry if I created that impression; but I did say this, we have to keep a lot of people doing a lot of work to provide statistics generally.

Mr. MCINTOSH: Any more than, say, any other crown corporation?

Mr. BUSHNELL: I cannot answer that because I have never been present at an inquiry of another crown corporation. I do not know what questions you ask, or what information they have to provide.

Mr. MCINTOSH: Your system of bookkeeping is the normal system of book-keeping?

Mr. BUSHNELL: This has nothing to do with bookkeeping.

Mr. CHAMBERS: On the point of order, obviously a member of parliament, as such, representing his constituents has a right to obtain that information.

The CHAIRMAN: I realize that.

Mr. CHAMBERS: However, there must be some limitation on this. Some member might want to know how many pencils there are in the store room of the C.B.C. I do think to answer that question it is obviously going to require a lot of work, and I think the committee might have some explanation as to why this information is required before the committee passes on the request.

I wonder if Mr. Tremblay would not be willing to let us know in what way this information will help us in forming our report?

Mr. BELL (Carleton): On a point of order, may I suggest there is one single objective we have, to prepare a report, a report to be made to parliament which, we hope, will be helpful to parliamentary control of the C.B.C. and the C.B.C. itself. I think any information we receive from the C.B.C. should be only information which is for the purpose of enabling us to prepare a satisfactory report. Therefore, I think on all questions, it must be decided what purpose they would have in the preparation of the report.

If Mr. Tremblay can assure us that he proposes that, subsequently, some part of the report will deal with this matter, and it is directed to that end, then I will go along with that. But if it is on any other basis I think the committee should turn down the request.

Mr. JOHNSON: I think we should speed up this discussion, and I propose that Mr. Tremblay gives his questions to Mr. Ouimet, and that the answers be provided later on.

The CHAIRMAN: That is what we are talking about.

Mr. JOHNSON: Let us stop discussing it.

The CHAIRMAN: The point of order is whether this is required or not.

Mr. McCLEAVE: Just to clear up a possible misinference that was drawn, I think the C.B.C. has been overly cooperative with us.

The CHAIRMAN: Mr. Tremblay, again, feeling the pulse of the committee here, would you like to try again?

Mr. TREMBLAY (Interpretation): Mr. Chairman, I want to be quite properly understood. That is why I am speaking in French because, like Mr. Ouimet, I can do so better than in English.

I want it to be understood that my intention is not to put the C.B.C. on trial, but I believe that the use of films by the C.B.C. represents an important aspect of the commercial side of that organization.

The use of films also has a direct repercussion upon the encouragement given to private enterprise in this particular field, that of films. So, in putting these questions, I am doing so in order to get statistical information of a useful type, which will enable us to evaluate the policy of the C.B.C. in this respect.

And yet, be it well understood, that there is no question of putting in doubt the sincerity or the like, of any particular individual in the C.B.C.

It is a question which is at one and the same time commercial and economic, and it is a matter of private enterprise.

That is the frame-work in which I put the question, and I would add that I believe that if my question had not been so easily misunderstood, so quickly misunderstood, then I would have been allowed to proceed with the other questions, which could have put into more proper light, or clarification, the wider question I had already put to Mr. Ouimet.

The CHAIRMAN: Again, Mr. Tremblay, I suggest that the broad aspect of the information which you asked for originally was such that it represents—I will not say an enormous amount of work. That is all I am thinking of, and if you could change your question, it might be helpful. Can you bring it down to a shorter time? Would that satisfy you, Mr. Ouimet, a shorter period?

Mr. OUIMET: I would like to say, first of all, we always try to tap all the sources of film that we can find, in order to encourage private enterprise.

Although the work that Mr. Tremblay has requested is of very great magnitude it is a fact, I believe, that the French network of the C.B.C. uses less film proportionately than most of the large networks in the world. I mentioned a period of time of 14 hours a week at the peak months of the year; and that is because the same source do not exist, for all intents and purposes; the availabilities of film are not as wide and abundant as they are for our English speaking compatriots.

We must remember one thing; we have to program 70 hours a week in order to compare as favourably as possible with what goes on on the English network. We do not like our French speaking compatriots to come along and say that there is a disparity in the number of hours broadcast by the C.B.C. on the French networks and the English networks. We try to tap all available sources of film material throughout the world.

The CHAIRMAN: Mr. McGrath, is it on Mr. Tremblay's question?

Mr. MCGRATH: I would just like to make a suggestion. In view of the volume of information that has been presented at the request of the committee by the C.B.C., we all agree and appreciate the fact they would be most willing and cooperative. I suggest, sir, in view of the tremendous agenda we still have ahead of us and the limited time left to this committee, with all due respect, we should be very careful in future of requests for information which will require statistical research on the part of the C.B.C.

The CHAIRMAN: The chair intends to do that.

Mr. FLYNN: I want to suggest we might let Mr. Tremblay read all his questions, and after that we can get the substance of the information he wants, without requiring too extensive research. We might get a whole batch of questions together.

The CHAIRMAN: That is agreeable to the chair, if you would like to go ahead and ask your questions, Mr. Tremblay, and then we could come back to your original questions.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I wish to put the following question to Mr. Ouimet: in the case of the films put on as cinema productions, who were the distributors for the films for the years 1957 and 1958?

Next question: who produced the international news reporting put on the French network by the C.B.C. in the years 1958 and 1959?

The CHAIRMAN: Would you stop there, please. Let us get back to the first question. I think if we could answer them as we go along, it would simplify the matter. Would you repeat the first question?

The INTERPRETER: "My first question to Mr. Ouimet: In the case of the films put on as cinema productions, who were the distributors of the films for the years 1957 and 1958?"

Mr. OUIMET: That information can be secured, if it is desired by the committee.

The CHAIRMAN: Now, question No. 2.

The INTERPRETER: "Second question: who produced the international news facilities put on the French network by the C.B.C. in the years 1958 and 1959?"

The CHAIRMAN: That, again, you will have to get, Mr. Ouimet.

Mr. OUIMET: I would like to qualify that. What does Mr. Tremblay mean exactly by "international news report"?

The INTERPRETER: "International news reporting".

Mr. OUIMET: You mean, inserts within the news bulletins?

Mr. TREMBLAY: Yes.

Mr. OUIMET: I would say most of the inserts in the news bulletins, were produced by our news camera team attached to the C.B.C. news bureau. The news inserts are produced—

Mr. TREMBLAY (*Interpretation*): I would like to know who does this.

The CHAIRMAN: You are getting on to personalities again, on teams, Mr. Tremblay, are you not; you are asking for the names of the people on the team?

Mr. TREMBLAY: Firms.

The CHAIRMAN: Do you want to know how many, or the names of the people?

Mr. TREMBLAY: The names of the firms, if they are firms. I do not wish to know the names of those C.B.C. employees.

The CHAIRMAN: Would you give your answer again?

Mr. OUIMET: We have a camera team—what we call a camera team, in the business, consists of a sound man and a cameraman, which may be supplemented at times by an extra sound man or an extra cameraman, according to the volume of work that we have to take care of. We also use United Press International footage, and various other agencies—the British Commonwealth Newsfilm Agency. I am talking here, of course, of the news broadcasts. This is where we secure our international news coverage.

The CHAIRMAN: Your third question, please?

The INTERPRETER: The third question was: "which agencies, bodies, or organizations transact, on behalf of the C.B.C., with film distribution agencies?"

Mr. OUIMET: I would say the C.B.C. transacts with film distribution agencies as a normal practice of trade.

Mr. TREMBLAY: By which means—or way: through a bureau?

Mr. OUIMET: Through our normal departments.

Mr. TREMBLAY: Who is responsible?

Mr. OUIMET: The responsibility in this case for any transaction is located mostly in the Film department.

Mr. TREMBLAY: How many members are in this Film department?

Mr. OUIMET: There, again, offhand I am not able to tell you; but I know that there are quite a number, because the Film department responsibility is not only that of purchasing film.

The INTERPRETER: "Next question".

The CHAIRMAN: Next question, please.

The INTERPRETER: The next question was as follows: "For the years 1957, 1958 and 1959, which were the companies producing news reports made in Canada, the film programs that served for continuity; and which companies made these films for the C.B.C.?"

Mr. OUIMET: The news reports made in Canada were produced by our own cameramen attached to staff. Also, of course, some stringers. Mr. Jennings explained earlier on that there is a news cooperative, and of course we do, on the French network and on the English network, take advantage of this news cooperative to receive reports from various parts of the country.

As far as film inserts are concerned, this would have to be checked, because I am quite sure there are a number of companies that have engaged in these particular film inserts within drama productions which is I believe what you mean.

The CHAIRMAN: I think so, because it should not be even on news. We will get that on newscasting.

Mr. OUIMET: Film inserts within drama—this would have to be checked because a number of companies have engaged in this within the last two, three or four years.

The INTERPRETER: "Next question".

The CHAIRMAN: Next question, please.

The INTERPRETER: The next question was as follows: "There is a program on which I require information. I am talking of "Pour Elle". And this is not personality; this is a fact. But at the time it was produced, what was the cost, who produces it now, and at what cost?"

The CHAIRMAN: Do you want the name of the producer?

Mr. TREMBLAY: I want the name of the firm.

Mr. OUIMET: This, I am afraid, I would not be able to answer readily. I would have to check.

The CHAIRMAN: Are there any further questions there?

The INTERPRETER: The next question was as follows: "I have a final question: Which body or organization, on behalf of the C.B.C., during the recent French network strike of the C.B.C. acted on behalf of the C.B.C. regarding films which were put on in replacement of normal programs?"

Mr. OUIMET: In this particular case, in the "abnormal" course of his duties—because we happened to be faced with a strike—the Film supervisor and his staff were responsible for this particular job.

The INTERPRETER: I should have said: "who bought the films". I do not know if I said "bought"; I should have said "bought".

Mr. OUIMET: Mr. Tremblay, I have just been informed that the film procurement section of the film department is made up of seven people.

Mr. SMITH (Calgary South): I wonder, Mr. Bushnell, if I could return for a moment to the 20 per cent of films which you find are unsatisfactory and, again, I think I could relate this to cost. Do I understand that this group of films which are considered unsatisfactory are returned and, therefore, do not represent a cost to the corporation—or is it just discarded as loss?

Mr. BUSHNELL: No. Let me put it to you this way, Mr. Smith. We are recognizing that in this package of a certain number of films there may be

20 per cent that are not too good. We take that into account and when we buy from the distributor we make it very clear to him that we know very well that 20 per cent of them may never be used. Therefore, we beat him down in price. So whether it is a loss or not, I do not know.

Mr. SMITH (*Calgary South*): I realize the problem you have. Nevertheless, you do not recover, of course, and you cannot recover the cost of errors which are a matter of choice. May I ask Mr. Jennings, perhaps, this question: in the case of the one I mentioned, the Mantovani series that has not been brought on the air, that was purchased some time ago, representing around \$150,000, but has not been used?

Mr. BUSHNELL: Let me answer that please. The Mantovani series is something that I would think would be used eventually; I think every one of them will be used eventually. It is the feature film packages I am talking about, of which 20 per cent are "turkeys".

Mr. JOHNSON: Do I understand that Mr. Ouimet will provide us with certain names of companies or firms who have sold films to the C.B.C.? I think that one of the questions asked by Mr. Tremblay dealt with this. I would like the number of films in each year since 1956. I would not dare ask percentages since I believe that it is more easy to get the number than the percentage.

The CHAIRMAN: You want the number of films purchased?

Mr. JOHNSON: From different companies and firms, for C.B.C.

The VICE CHAIRMAN (*Mr. Flynn*): May I suggest that this question is about the same question as the one put by Mr. Tremblay and which we discussed earlier. I was wondering if both Messrs. Tremblay and Johnson would be satisfied with the films used and the amounts paid by C.B.C. to producers of films, Canadian and foreign.

Mr. JOHNSON: Purchasers—not peddlers; but those who sell films.

The VICE CHAIRMAN: I think that would be easier.

Mr. JOHNSON: Yes.

The CHAIRMAN: Whichever is easier for you to get.

The VICE CHAIRMAN: Just the amount.

Mr. OUIMET: The gross amount?

The VICE CHAIRMAN: The gross amount paid to producers, dividing it into foreign and Canadian producers.

Mr. JOHNSON: I want different companies.

The VICE CHAIRMAN: You want the names of the companies?

Mr. JOHNSON: I understood your point of order—

The VICE CHAIRMAN: I did not put a point of order.

Mr. JOHNSON: Your suggestion was to save time of the C.B.C., instead of the number of films; and would you give the gross amount paid to each company, foreign or Canadian?

The CHAIRMAN: You want the names of the distributors that they purchased from and the amount of money they spent with each distributor?

Mr. JOHNSON: Yes, the distributor.

The CHAIRMAN: And you want it for 1956, 1957, 1958 and 1959?

Mr. JOHNSON: Up to date.

The CHAIRMAN: You could not be satisfied with getting it for two years, for example, could you?

Mr. JOHNSON: No.

The CHAIRMAN: Three years, possibly? There is a lot of evidence that these people are going to have to give us.

Mr. JOHNSON: Let us say, 1957, 1958 and 1959.

Mr. BELL (Carleton): What possible use is this going to be to us when we get it, Mr. Chairman?

The VICE CHAIRMAN: That is why I suggested that you have the amount paid to foreign producers and Canadian producers—that would be enough. You would know thereby how much the local Canadian industries have helped. That would be sufficient.

Mr. JOHNSON: I put the question, and it was accepted by Mr. Ouimet, so I believe we could call it quits.

The CHAIRMAN: Are there any other questions on French or English-speaking films?

Mr. BUSHNELL: I think I should add to the comment I made a moment ago. Mr. Gilmore has the exact details of the Mantovani deal.

Mr. SMITH (Calgary South): It might be worth while to clear it up now.

Mr. GILMORE: This is a film deal which is not unusual in the normal course of networks dealing with the distributor. We contract for a syndicated film series. This particular series is in French and English and it is for a series of half hour programs, featuring the well known musical conductor and his orchestra, Mantovani. There was not any place in our program schedule this last fall on the English network for it; there was on the French network. We have placed it on the English network. We are placing it in the coming fall on the English network, and the contract has been extended accordingly.

Mr. SMITH (Calgary South): That is a very satisfactory answer.

The CHAIRMAN: Are there any other questions on French or English-speaking films? We will go, then, to No. 7, Purchasing of Material. Would you like to make a statement on purchasing, Mr. Bushnell?

Mr. BUSHNELL: I would like Mr. Gilmore to deal with that statement, please.

Mr. GILMORE: I would prefer to answer some questions on it.

Mr. PAUL (Interpretation): What is the value of costumes or scenery stolen or mislaid in the C.B.C. from January 1, 1958, to April 30, 1959?

Mr. BUSHNELL: Mr. Chairman, may I reply to that? I did not know there was any stolen, but if you have actual proof of the fact that such has happened, would you inform me, and who stole them.

Mr. KUCHEREPA: Undoubtedly in the production of a great many shows there are materials which are purchased and which cannot be re-used. Is there any sale of these assets and have you any realization from those materials?

Mr. GILMORE: In the category of goods you are mentioning there are the materials for staging and for property. There is almost no item that you can purchase in this world that is not usable at some time in television, and I invite the committee, when they visit Toronto, to take a look at our "small" prop shop. We have even been asked to locate a Venus statue with arms; that is a ludicrous example, but this is the kind of things which we do not just throw away and we do not offer for sale. Everything which is bought for a given program is put in storage and categorized, and a very careful check is kept of these. This does not only apply, by the way, to properties, it applies to costumes, stock settings and this sort of thing.

There is one exception, and that is where you come to construction settings, where the storage of this material over a period of about two years is becoming too expensive to keep it. Then it becomes more economical to break it down and reuse the parts in other construction.

Mr. CHAMBERS: Is the policy in regard to furniture for dramatic presentations to buy or to rent?

Mr. GILMORE: It is a divided policy. We do both; we keep a basic stock of a pretty wide selection of furniture. Where there are special items we try and rent from about four or five furniture houses in Toronto and Montreal, and also at outside locations.

The CHAIRMAN: Do you ever borrow it—or on a credit line?

Mr. GILMORE: Yes, we do that in certain circumstances.

Mr. TAYLOR: Do you ever loan your properties out to other amateur groups, to assist them?

Mr. GILMORE: We have had a very strict policy of never doing that because of the load it would place upon the whole scenery and props department.

The CHAIRMAN: Are there any other questions on purchasing?

Mr. TAYLOR: That might greatly assist these amateur groups to bring forward stars and artists. Would that not be a great saving for you, if they did that?

The CHAIRMAN: You might ruin your properties too.

Mr. GILMORE: It is a pretty fine policy throughout broadcasting in both American and Canadian networks.

Mr. TAYLOR: The answer is, you do not assist any amateur groups?

Mr. GILMORE: We assist them by using their artists when they are developed—not with props.

Miss AITKEN: In the continuing shows, do you supply the dresses, the costumes, for the women; and what happens to them—are they falling apart and re-built too?

Mr. GILMORE: There are two categories there. In our agreement for the engagement of performers in television and radio it is stated that the performer must have one dress suit, or one formal suit as part of his normal costume. Where we require special costuming, we provide this. We do it in two ways, by rental, or by fabrication. In the case of fabrication, it is put in storage and altered for succeeding programs and reused. For example, a \$200 formal costume in a period piece may be used as much as 50 or 60 times over two years, and each time it is charged out at 10 per cent of its original cost, plus the alterations.

The CHAIRMAN: Have you any other questions, Miss Aitken?

Miss AITKEN: I was thinking more of the continuing shows, the panel discussions and things like that. Does the C.B.C. supply those dresses?

Mr. GILMORE: No, I do not think so.

Mr. BUSHNELL: I think they turn up with their own costumes, and quite frequently you will see a credit line; maybe a costumier has offered the dress for display purposes.

Mr. CHAMBERS: You must have a great number of properties. How do you store them, and do you keep them insured?

Mr. GILMORE: I would invite you to go over this very carefully in Toronto and look at the whole situation, Mr. Chairman.

Mr. CHAMBERS: Do you insure them?

Mr. GILMORE: Yes, we do.

Mr. TAYLOR: Are properties stored on Georgia Street—on this expensive property in Vancouver—on the premises there.

Mr. GILMORE: I should know this; I am from Vancouver. I cannot recall whether storage is right on the spot, or not. I believe it is, but could not swear whether it is, specifically, or not. There is no stock storage of sets there;

I know that. But whether costumes are, I am not positive. I could get that answer.

Mr. MCGRATH: On costumes, in the case of the breakdown we have here for Peter Grimes—it is a very, very detailed breakdown—what becomes of all this stuff after the production of Peter Grimes? Is this kept in storage with an eye to future usage—or is a lot of it discarded?

Mr. GILMORE: Are there any specific items you would like to question, because I made a check of that and almost everything except the spoilable material has been put in storage?

Mr. BELL (Carleton): I have been wondering about the 20 bibles.

Mr. BUSHNELL: I have an answer to that. We are keeping them in storage so that when the committee comes to Toronto it will know how to conduct itself properly.

Mr. MCGRATH: Just a final question, Mr. Gilmore, and it revolves around my last question. Why would it necessitate having to buy all these things for a production like Peter Grimes? For instance, what would happen to the costumes? Could they not be utilized for future productions?

Mr. GILMORE: Mr. Chairman, some of them were. This is divided here, as you will see, into one section, which is purchase, and manufacture is in another section. The technique of a props man or a costumier on a program is to first go through the stock reports of the storage department which takes care of costumes and props. He makes the first choice there. The second course is to fill out the requirements from outside. On this particular piece we did not have sufficient on hand to do this complex a production, particularly of the material needed for this locale.

Mr. JOHNSON: Could you explain the policy of the C.B.C. in cases where you hand out contracts for costume, scenery and props to companies or firms outside the C.B.C.? Are there any public tenders called for, or are many firms asked to submit tenders?

Mr. GILMORE: Mr. Chairman, at the start of television we tried, when we went on the air with about 3 to 6 hours of production a week in 1952, to have all our costuming done outside. We contracted particularly—not "contracted", because there were not enough companies doing this sort of work to contract with—but we used the services of all available costumiers in Montreal and Toronto. We continued to do that to the maximum of our ability to get the requirement there. However, early in the game we found exactly what the Crest Theatre, the Stratford Festival and the American networks found, that the volume we required and the detail and the quality required the development of a highly skilled crafts staff of our own, and we proceeded to do this.

The CHAIRMAN: Can we leave the purchase of material now?

Mr. JOHNSON: Does it happen that in certain instances you may have for example a wig maker who is employed by the C.B.C. and who leaves and starts a company of his own, and then sells his wigs back to the C.B.C.?

Mr. GILMORE: At one time we had a member on the staff who was a wig maker, but he left to form his own company.

Mr. JOHNSON: Is he still with the personnel of the C.B.C.?

Mr. GILMORE: I would have to check it and refer back to you later.

The CHAIRMAN: Do you wish to buy a wig, Mr. Johnson?

Mr. JOHNSON: Not yet. I am waiting to buy one.

Mr. SMITH (Calgary South): This morning Mr. Jennings made a reference in his statement to the low income of many artists, and we were shown a figure of \$19 million which is part of the \$42 million paid for artists. We know,

too, that the corporation has had some difficulty in retaining its talent because of competitive features. I suggest that recruitment of new talent must be on your minds to a very substantial degree today.

I would like to have Mr. Jennings' view as to what action, if any, other than increasing the salaries, is taken in an effort to retain a greater percentage of the people who are there being trained and who by and large become a pretty substantial export to other markets abroad, a regrettable export.

Mr. JENNINGS: I would say as to the last part of your question that it is not so much a question of it becoming an export, it is becoming more of a two-way flow, where Canadian performers go and take engagements in the United States and return, or go to England and take engagements for the summer or for the season, and then return.

We have noticed in the last four or five years it is not so much an export as people going back and forth. And as to recruitment of new talent, I think next Thursday we will be able to give you a set of figures through which we keep showing the number of artists used every month, and those artists who are new faces every month.

Mr. SMITH (*Calgary South*): That would be very useful. I viewed not long ago one of your own programs, an interview with a number of Canadians now performing in Britain. Some expressed the attitude that the public of Canada—that it is not sufficient to obtain Canadian talent in Canada, and that was what promoted my question. Are you that far behind?

Mr. JENNINGS: I think I said in connection with new talent this morning that we do have to be prepared to give a certain body of experienced talent enough work to justify their staying in Canada and to make a living at it. At the same time we are faced with the problem of bringing in new talent.

Mr. Smith, I do not know what program you saw, where people were complaining that they could not make a living in Canadian radio, but I think that New York, London, Montreal or Toronto—in all the big entertainment centres—you will find there is a fringe of performers who do not find it possible to make a living at their profession. It is quite surprising. I cannot recall the figures offhand now, but about 8 or 9 months ago I saw the average earnings of members of the artists association in New York, and it was quite shockingly low.

The middle people earned a reasonable living, and the top people earned a very good living; but the bottom people just scratched the gravel.

Mr. SMITH (*Calgary South*): Perhaps we are doing too much. But that is not the point. You would then say that we cannot recruit; that the C.B.C. purely by providing apprenticeship for actors or actresses may find that we lose them to America in quite large volume?

The CHAIRMAN: That is right. Are there any other questions?

Mr. KUCHEREPA: If there are people who feel it is difficult to get into television or radio, what method of encouragement does the C.B.C. give to new talent in the way of amateur shows and things of that kind?

Mr. JENNINGS: We just had a series called Talent Caravan, where a C.B.C. production team toured the country from coast to coast, putting on weekly half hour programs. They visited Ottawa and they put on a half hour television show.

Mr. KUCHEREPA: Was it in the form of an amateur show?

Mr. JENNINGS: Yes, it was.

Mr. KUCHEREPA: Is there any other method employed to encourage new talent?

MR. JENNINGS: We always give auditions to new talent. We have an opportunity for talent auditions, and if the talent has capacity, we are continually looking for methods by which to present them. Singers in a chorus do not always become star soloists over night.

MR. BUSHNELL: Perhaps I might add a word, briefly. Over the years, we had a type of program called Singing Stars of Tomorrow. It was an idea that came to us, it was a combination of ideas and it came from an agency to our producers, and we put it together. I think that of the number of people who were winners in that contest, a very large percentage of them have gone on to achieve international fame. That sort of thing has been going on the English and French networks, and we have always have some form or some kind of program for the introduction of new talent. I do not know that you would necessarily call it amateur talent. They might be people who had performed in a high school auditorium or at garden parties, and that sort of thing, and who had a certain amount of experience. They would come along to us and be auditioned, and if we found them to be suitable, at the first opportunity we would use them.

Our job is to find new talent, and one of the things is that we just do not have enough talent scouts out looking for new talent. But we know this country is full of it.

MR. JOHNSON: Still on the subject of new talent, I shall address this question to Mr. Ouimet. After auditioning new talent or prospective new talent, does every candidate get an answer either from the casting bureau or from the organizations we are referring to?

MR. OUIMET: They normally do. Of those who appear before the audition boards, some can be automatically rejected. I think it is part of our responsibility to tell them they are wasting their time. Others will show promise and are encouraged. Those who are definitely talented we try to fit in on our programs as soon as we can.

MR. JOHNSON: Do they get an answer very soon, or does it depend on each case? I mean, is there a fixed date?

MR. OUIMET: Normally, I would say it would be within a matter of weeks.

MR. JOHNSON: Do you have any complaints against the casting bureau at Montreal on this particular item?

MR. OUIMET: I personally do not know of any complaints.

MR. CHAMBERS: Does the CCAA and the Societe des Artistes have any closed shop?

MR. JENNINGS: No, they do not.

MR. KUCHEREPA: Are there any other agencies with which the C.B.C. cooperates to obtain new talent?

MR. JENNINGS: We are continually working in cooperation with all sorts of musical organizations, choirs, small orchestras. From all these sources talent appears, and there is a continual relationship, as part of our people are engaged with performers and with musicians. The question of a national opera at Toronto is a very good example where the C.B.C. opera company works in collaboration with the opera school of the Royal Conservatory in providing an opportunity to young performers who are studying there to do a series of operas each year, which gives them a great deal of employment. This was a major factor in the development of a semi permanent opera company in Toronto.

MR. TREMBLAY (Interpretation): Mr. Ouimet, could you tell me please if the C.B.C. has applications from various candidates or does it deal with conservatories established schools and the like in order to procure new talent?

Mr. OUIMET: We deal constantly with music teachers, drama coaches, and with dance coaches. In fact, in Montreal I think one of the great developments that has followed television has been *Les Grands Ballets Canadiens* which started as a very small company headed by Mrs. Ludmilla Chiriaeff and has finally become such a recognized company that the Canada council has decided to encourage them by means of grants.

Drama coaches, music coaches, and so forth are in constant contact with us, every day, and they tell us about new talent and we rely on their judgment to a certain extent. They do not tell us should they feel that their students are not yet ready. There are some music coaches who are definitely more—how would you say—severe with their students than with others.

I remember when we had the equivalent, on the French network, of *Singing Stars of Tomorrow*. There was a Toronto music teacher who would not let his singing pupils come to these contests unless he felt they could actually make a good showing. Some of them would have to wait as long as 3 years before he would allow them to come. But we do keep up these contacts all the time.

Mr. BUSHNELL: May I add briefly that we have talent scouts at practically every graduation ceremony of most of the conservatories in Canada.

The CHAIRMAN: Thank you, ladies and gentlemen.

Mr. McCLEAVE: I have some information to be tabled. It outlines the payments for copyright material in the 5 years 1953 to 1958. (See Appendix A)

The CHAIRMAN: We shall meet again on Thursday morning at 9:30 in this room. I shall be in London, Ontario to vote, so Mr. Flynn will be your chairman.



THE FOLLOWING IS THE TEXT OF THAT PART OF THE  
COMMITTEE'S PROCEEDINGS CONDUCTED IN  
THE FRENCH LANGUAGE

ON TROUVERA CI-DESSOUS LE TEXTE DE LA PARTIE DES DÉLIBÉRATIONS  
DU COMITÉ QUI S'EST DÉROULÉE EN FRANÇAIS

COMITÉ DE LA RADIODIFFUSION  
9 juin 1959 (11 heures)

(Page No. 353)

M. FORTIN: Je voudrais demander... Ma première question est la suivante: Il est difficile pour nous d'insister beaucoup sur la répétition dans les apparitions des acteurs à la télévision, parce que nous ne sommes pas autorisés à mentionner de noms. Simplement, la première remarque que nous avons à faire, c'est que, lorsqu'un téléthéâtre est présenté sur le réseau français de Radio-Canada, les même artistes reviennent à peu près toujours.

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L'INTERPRÈTE: Le deuxième point a trait à la répétition des drames. Je ne sais pas si la remarque que je vais faire entre dans le cadre de l'agenda, mais nous avons remarqué, et c'est une constatation générale dans la province de Québec, que les drames sont habituellement des drames à caractère immoral, en ce sens que l'on présente 50 p. 100 des drames de famille où le ménage ne marche pas, où les enfants ne sont pas élevés, où il y a du désordre dans la famille; on ne nous présente jamais un drame où une famille unie fait son chemin.

Troisièmement, lorsqu'on présente un drame où l'intérêt public est concerné, comme récemment, "Deux tours d'horloge", c'est un drame qui, à mon sens, était foncièrement immoral; on jette dans l'esprit des gens un doute sérieux sur la conscience et la compétence du service policier. Je demanderais à M. Bushnell de faire quelques commentaires sur ce point-là.

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M. OUIMET: Je n'ai pas d'objection à m'exprimer en anglais, mais tout de même je m'exprime avec plus de facilité en français. Si, à un moment donné, il me fallait employer un terme anglais, pour mieux préciser ma pensée, je le ferai dans la langue anglaise.

Si je prends votre allégué à l'effet que les figures sont toujours les mêmes au téléthéâtre, il faut se souvenir, monsieur Fortin, que nous n'avons au Canada français qu'un nombre restreint d'artistes.

M. PAUL: Pourquoi?

\* \* \* \*

M. FORTIN: Je voulais savoir si vous n'attribuez pas cela au peu de coopération que Radio-Canada accorde aux jeunes artistes de talent qui veulent aussi faire leur chemin?

M. OUIMET: Au contraire!

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M. TREMBLAY: Est-ce que vous procédez par voie de concours pour engager de nouveaux artistes?

\* \* \* \*

Une question supplémentaire. Ce bureau qui préside à l'examen des candidats est-il composé de techniciens de Radio-Canada, de gens dont l'éducation est artistique ou est-il composé, à parts égales, de représentants de la Société?

M. OUIMET: Le bureau est composé d'experts de l'extérieur, entre autres de critiques dramatiques, lorsqu'il s'agit de drames, ou dans le cas d'auditions musicales, de critiques musicaux.

Je ne peux pas vous donner leurs noms, parce que, si je vous donnais leurs noms... vous devriez reconnaître vous-même que ces gens-là ont tout de même l'appui général de la population.

M. TREMBLAY: Dans le cas de ces experts, si vous avez à juger, par exemple, un chanteur ou un comédien, est-ce que ces experts sont nombreux? Est-ce qu'il y a, parmi ces experts, des comédiens ou des critiques dramatiques en nombre suffisant, qu'il s'agisse de deux, d'un ou de trois experts?

\* \* \* \*

M. TREMBLAY: Vous dites que ce bureau d'audition n'est jamais composé de moins que de trois personnes, n'est-ce pas? Est-ce que, dans un cas précis, lorsqu'il y a trois personnes, je suppose qu'il y a une personne de Radio-Canada, un comédien, un artiste ou quelqu'un qui est affecté au domaine sur lequel vous devez faire passer une audition?

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M. DORION: Je tiens d'abord à dire, je ne voudrais pas que l'on donne l'impression que Radio-Canada, dans son ensemble, ne fait pas une très belle besogne. Je dois dire qu'à mon avis Radio-Canada est une institution essentielle, nécessaire et qui nous fait honneur en très grande partie.

Évidemment, nous sommes ici pour enquêter sur les erreurs ou les défauts que cela peut comporter et je ne voudrais pas que cela laisse l'impression que nous sommes complètement ennuyés par Radio-Canada, loin de là.

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M. TREMBLAY: Monsieur Ouimet, pouvez-vous me dire s'il n'existe pas à Radio-Canada des gens qui sont parfois artistes et auteurs de programmes, qui jouent dans des programmes et qui sont en même temps les auteurs des textes à Radio-Canada?

\* \* \* \*

M. TREMBLAY: Pourriez-vous me dire si vous considérez normal que les auteurs soient engagés pendant 10, 15, 20 ans par la société Radio-Canada, quand il y a tant de jeunes auteurs qui pourraient bien faire valoir leur talent?

\* \* \* \*

M. TREMBLAY: On a déposé des rapports sur l'emploi de certains commentateurs, dans différentes sections ou pour différents programmes en 1958.

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M. TREMBLAY: Je voudrais qu'on nous présente un rapport sur l'emploi de ces commentateurs pour les années 1956, 1957 et même 1955.

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SÉANCE DU SOIR  
COMITÉ DE LA RADIODIFFUSION  
9 juin 1959

(Page No. 365)

M. TREMBLAY: Monsieur Ouimet, pouvez-vous me dire si les artistes français, c'est-à-dire les artistes étrangers, de France ou d'Europe en général, sont soumis à des auditions de la part de Radio-Canada?

\* \* \* \*

M. TREMBLAY: Je vous remercie pour cette réponse, mais je me demande ce que vous entendez par des nouveaux venus, en ce qui concerne les artistes français? Évidemment, je ne mets pas en cause les cas des très grands artistes dont la réputation est internationale, mais là il y a des degrés que je voudrais bien vous voir préciser.

M. OUIMET: Encore une fois il est difficile de répondre à cette question, parce qu'il s'agit de définir ce qu'est un artiste bien établi et ce qu'est un artiste non établi. Alors, à ce moment-là, tout dépend en définitive du jugement des directeurs de programmes. S'il s'agit d'artistes frais émoulus du conservatoire de Paris, je puis vous assurer qu'ils seront soumis à une audition comme n'importe quel autre artiste. S'il s'agit d'un artiste qui a déjà 5, 6 ou 7 ans d'expérience, nous le soumettrons probablement à une audition qui ne sera peut-être pas,—remarquez-le bien,—en circuit fermé, mais nous l'essayerons une fois ou deux et nous jugerons immédiatement s'il a les qualités requises pour jouer d'autres rôles.

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M. TREMBLAY: Monsieur Ouimet, pourriez-vous me dire s'il existe des règlements écrits au sujet des critères que peuvent utiliser les gens qui composent ce bureau d'auditions.

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M. JOHNSON: Monsieur le président, à cause de la gravité de la question que je vais poser à M. Ouimet,—et je m'excuse d'y revenir,—c'est une question qui a été posée ce matin, mais à cause de la gravité de cette question, de ce qu'impliquait la question de Me Dorion, je voudrais une précision, ne serait-ce que pour permettre aux réalisateurs d'empêcher ici toute insinuation à leur sujet.

Pouvez-vous vérifier si c'est bien vrai qu'il y a eu une cause devant le tribunal d'appel d'impôt sur le revenu, sous la présidence de feu le juge Fabio Monet, en 1955 ou aux environs de cette date, une cause dans laquelle un artiste de la radio...

...un artiste de la radio aurait demandé que le tribunal d'appel considère comme dépenses déductibles de son revenu d'artiste certaines sommes d'argent données en cadeau à des personnes en autorité, capables de lui confier des rôles, des personnes en autorité qui auraient le droit ou l'autorité de lui donner des emplois comme artiste, de lui confier des rôles, en somme?

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M. TREMBLAY: Les questions que je vais poser s'adressent à M. Ouimet. J'aimerais avoir une réponse à la prochaine séance ou le plus tôt possible à ces questions.

Premièrement, depuis l'avènement de la télévision, combien y a-t-il eu, au réseau français, d'émissions filmées, c'est-à-dire des émissions sur films produits au Canada ou à l'étranger?

M. OUIMET: Monsieur le président, il faudrait faire une distinction, je crois, entre les longs métrages et les films d'utilisation pour la télévision seulement, et même là, cela se chiffre par centaines.

\* \* \* \*

M. TREMBLAY: Monsieur le président, si vous me le permettez, je vais seulement poser quelques questions qui seront le résumé des questions vastes que j'ai dans l'esprit. Que M. Ouimet soit bien assuré que je ne veux pas le soumettre à des recherches intensives avec ses collègues de Radio-Canada.

Je voudrais savoir combien de films ont été passés à la télévision en 1958; j'entends par là les films réalisés ou produits au Canada, ceux réalisés ou produits à l'étranger.

Il s'agit ici de films documentaires, de films servant à des programmes, certaines continuités qui exigent des scènes extérieures et ensuite des films pour des émissions de cinéma.

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M. TREMBLAY: Monsieur le président, je voudrais bien qu'on m'entende correctement. C'est pour cela que je parlerai en français, et comme M. Ouimet, je peux le faire mieux qu'en anglais.

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Je voudrais bien que l'on comprenne: mon intention n'est pas de faire le procès de la société Radio-Canada, mais j'estime que l'utilisation de films par la Société constitue un aspect important du caractère commercial, du côté commercial de la société Radio-Canada, et l'utilisation des films a aussi une conséquence directe sur l'encouragement donné à l'entreprise privée dans ce domaine particulier du film du cinéma.

Si je pose ces questions, c'est qu'elles devraient nous fournir des renseignements statistiques utiles pour l'appréciation de la politique de Radio-Canada dans ce domaine, sans aucune intention,—que l'on me comprenne bien,—de mettre en doute le bien-fondé de l'attitude de celui-ci ou de celui-là à Radio-Canada.

Il s'agit d'une question d'ordre à la fois commerciale et économique, une question d'entreprise privée en général. C'est dans ce dessein que je pose ma question.

Je crois que si l'on n'avait pas été aussi actif à suspecter ma première question, si l'on m'avait laissé poser mes autres questions, je crois que ceci aurait servi à éclairer ma première question.

\* \* \* \*

Monsieur le président, M. Ouimet, quels ont été, dans le cas des films présentés à l'émission du cinéma, les distributeurs des films pour les années 1957 et 1958?

\* \* \* \*

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Qui, monsieur Ouimet, a réalisé et produit les reportages internationaux présentés à la télévision française par Radio-Canada au cours de 1958-1959?

\* \* \* \*

Quel agence ou bureau ou organisme transige au nom de la société Radio-Canada avec les compagnies ou agences ou organismes de distribution de films?

(Page No. 376)

L'INTERPRÈTE: Pour les années 1957, 1958, 1959, quelles ont été les compagnies qui ont produit des émissions de reportages faits au Canada et des émissions filmées qui servent aux continuités, etc.? Quelles compagnies ont fait ces films que la société Radio-Canada utilise?

\* \* \* \*

L'INTERPRÈTE: Maintenant, il s'agit de l'émission "Pour elle". Ce n'est pas de la personnalité que je fais ici, il s'agit d'un fait. Qui, monsieur Ouimet, au moment où l'on a commencé à présenter l'émission "Pour elle" produisait cette émission? A quel prix? Qui la produit maintenant et à quel prix?

\* \* \* \*

L'INTERPRÈTE: Une dernière question. Qui, au nom de la société Radio-Canada, agence ou bureau a, pendant la récente grève du réseau français de télévision, acheté au nom de la société Radio-Canada les films que l'on a présentés pour remplacer les émissions?

\* \* \* \*

L'INTERPRÈTE: Je veux dire les reportages internationaux?

\* \* \* \*

L'INTERPRÈTE: Je voudrais avoir ces informations sur ces gens-là, sur ceux qui ont réalisé les reportages.

\* \* \* \*

(Page No. 378)

M. PAUL: Quelle valeur représentent les costumes ou décors qui auraient été volés ou écartés à Radio-Canada durant la période s'écoulant entre le 1<sup>er</sup> janvier 1958 et le 30 avril 1959?

\* \* \* \*

(Page No. 382)

M. TREMBLAY: Monsieur Ouimet, pourriez-vous me dire si la société Radio-Canada attend d'avoir les "applications" de différents candidats ou si elle s'abouche avec les conservatoires ou les écoles d'art ou de danse pour recruter des artistes ou des talents?

## APPENDIX "A"

## CANADIAN BROADCASTING CORPORATION

PAYMENTS FOR COPYRIGHT MATERIAL—1953-1958  
(In thousands of dollars)

ITEM	1953-54	1954-55	1955-56	1956-57	1957-58
Broadcast Music Incorporated.....	27	27	30	39	40
Composers, Authors and Publishers' Association.....	162	175	205	229	273
Other copyright holders:					
Music.....	61	79	96	110	194
Manuscripts and Plays.....	409	602	859	1,070	1,246
Films.....	485	1,382	2,360	3,408	4,917
Special events (hockey, football, sports).....	155	330	431	221	189
<b>TOTAL.....</b>	<b>1,299</b>	<b>2,595</b>	<b>3,981</b>	<b>5,077</b>	<b>6,859</b>

June 3rd, 1959.





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HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

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SPECIAL COMMITTEE ON  
**BROADCASTING**

*Chairman: G. E. HALPENNY, Esq.*

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

THURSDAY, JUNE 11, 1959

CANADIAN BROADCASTING CORPORATION

WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;  
C. Jennings, Controller of Broadcasting and M. Ouimet, Deputy Controller of Broadcasting.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

*Chairman: G. E. Halpenny, Esq.,*

*Vice-Chairman: J. Flynn, Esq.,*

and Messrs.

Miss Aitken,	Fortin,	McQuillan,
R. A. Bell ( <i>Carleton</i> ),	Johnson,	Nowlan,
Tom Bell ( <i>Saint John-</i> <i>Albert</i> ),	Jung,	Pickersgill,
Brassard ( <i>Lapointe</i> ),	Kucherepa,	Pratt,
Mrs. Casselman,	Lambert,	Richard ( <i>Ottawa East</i> ),
Chambers,	Macquarrie,	Robichaud,
Dorion,	Mitchell,	Simpson,
Eudes,	Morris,	Smith ( <i>Calgary South</i> ),
Fairfield,	Muir ( <i>Lisgar</i> ),	Smith ( <i>Simcoe North</i> ),
Fisher,	McCleave,	Tremblay.
Forgie,	McGrath,	
	McIntosh,	

*J. E. O'Connor,  
Clerk of the Committee.*

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## MINUTES OF PROCEEDINGS

THURSDAY, June 11, 1959.

The Special Committee on Broadcasting met at 9.40 a.m. this day. The Vice-Chairman, Mr. Flynn, presided.

Members present: Miss Aitken, Messrs. Bell (*Saint John-Albert*), Fairfield, Fisher, Flynn, Johnson, Macquarrie, Morris, McCleave, McGrath, Paul, Smith (*Calgary South*), Smith (*Simcoe North*) and Tremblay—(14).

In attendance: Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; J. P. Gilmore, Controller of Operations; Marcel Carter, Controller of Management Planning and Development; Charles Jennings, Controller of Broadcasting; Marcel Ouimet, Deputy Controller of Broadcasting; R. C. Fraser, Director of Public Relations; R. E. Keddy, Director of Organization; J. J. Trainor, Assistant to Director of Audience Research; Barry MacDonald, Secretary, Board of Directors; and J. A. Halbert, Assistant Secretary, Board of Directors.

The Vice-Chairman observed the presence of quorum and read to the Committee answers to questions asked at a previous meeting.

Agreed.—That item "2" of part "A" of the Agenda "Analysis of Costs" be transferred to part "D", the heading relating to "Finance".

Messrs. Jennings and Ouimet answered questions concerning the recruitment of new talent.

Agreed.—That item 9 of part "A" of the Agenda, "Relationship with performers Rights Society," stand until printed copies of the Minutes of Proceedings and Evidence of Tuesday, June 9, are received.

Mr. Jennings, dealing with item A-3 outlined the principles upon which a balance of programming is achieved. Messrs. Jennings, Ouimet and Bushnell were questioned concerning the percentages of westerns, dramas, educational programs, etc. appearing on television and broadcast by radio.

At 11.00 a.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,  
Clerk of the Committee.



NOTE: Text of the Proceedings recorded in the French language appears immediately following this day's Evidence.

REMARQUE: Le texte des témoignages recueillis en français figure immédiatement à la suite du compte rendu des délibérations de la séance d'aujourd'hui.

## EVIDENCE

THURSDAY, June 11, 1959.  
9:30 a.m.

The VICE-CHAIRMAN (Mr. Flynn): Miss Aitken and gentlemen, we have a quorum.

Before we proceed with the agenda, I would like to read a letter from Mr. MacDonald, secretary of the board of directors of the C.B.C., giving some answers to some of the questions raised in committee at the last meeting. It reads:

OTTAWA, June 11, 1959.

Mr. J. E. O'CONNOR,  
Clerk,  
Special Committee on Broadcasting,  
Room 174, West Block,  
Ottawa.

Dear Mr. O'Connor:

Herewith are answers to some of the questions raised in Committee at the June 9 session.

Mr. McCleave asked whether husband and wife were ever on the same program when one was producer and the other an artist. The answer is that this has happened from time to time, though the incidence would be low in relation to our total broadcasting.

Mr. McIntosh asked how many performers were making more money than the Prime Minister. The answer is none.

Mr. Taylor asked if costumes for television were stored at the Georgia Street premises of the corporation in Vancouver. The answer is yes because of the proximity to performers and production staff.

Mr. Johnson enquired whether the wig maker in Montreal who sold his productions to the corporation was still a member of staff. The answer is no.

Mr. Tremblay asked concerning the program "Pour Elle". This weekly program on film is obtained and supplied by the sponsor's advertising agency. Consequently the CBC is not in a position to answer the questions raised concerning details and costs of production.

Yours sincerely,

BARRY MacDONALD,  
Secretary—Board of Directors

Mr. TREMBLAY: That is very easy.

Mr. SMITH (*Calgary South*): Mr. Chairman, I wonder if I could suggest, as I did to you personally a minute ago, that we make a small change in our order of procedure. I understand that the analyses of costs under the heading of programming, item 2, are not yet ready.

The VICE-CHAIRMAN: I was going to suggest that it might be more useful to transfer this item to that under the heading D, "Finance", as it deals with income and we can deal with all general expenditures and costs at that time.

Again, it occurs to me we are localizing costs under expenditures, and the information is not ready yet, in any event, as I understand.

The VICE-CHAIRMAN: If this suggestion is agreeable to the committee, I have no objection myself, because the information is not yet available.

It all depends on whether it is going to be available when we reach the item "Finance".

Mr. McCLEAVE: Agreed.

Agreed.

The VICE-CHAIRMAN: Mr. Tremblay?

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, let me say, here and now, that I am not surprised that I have not received these details which I asked for regarding the program *Pour Elle*, but I nonetheless consider it would have been desirable to have those details.

The VICE-CHAIRMAN: If the C.B.C. has not this information, we might try to obtain it elsewhere.

Mr. McCLEAVE: Mr. Chairman, in regard to the information that was given me, could it be found out whether this applies to any of these regular programs, ones on a week to week basis—I am not think of one performance only, but a regular series of programs. Could that be done?

Mr. ERNEST BUSHNELL (*Vice-President of the Canadian Broadcasting Corporation*): Yes, I only just add the thought, Mr. McCleave, that occasionally it happens that a performer falls in love with a producer, and a producer with a performer, and they get married. They are both under contract; and there is not much we can do about that.

Mr. McCLEAVE: I recognize there are always dangers like that, whenever men and women are drawn together. I was going to ask the information be confined to cases where the marriage had taken place before the production?

Mr. BUSHNELL: Thank you. I do not think we can answer your question now, Mr. McCleave. I do not know of any such cases, where production has taken place before marriage.

The VICE-CHAIRMAN: On the same subject Mr. McGrath?

Mr. MCGRATH: Mr. Chairman, under item No. 4, I asked a series of questions at the last hearing with regard to two specific programs that had been produced by the corporation—the programs *Radisson* and the *Last of the Mohicans*. I understand both these programs were sold in the United States and were contracted for by U.S. networks. I also understand that one of them was discontinued on the C.B.C. network.

Mr. CHARLES JENNINGS (*Controller of Broadcasting, Canadian Broadcasting Corporation*): You are referring to *Radisson*?

Mr. MCGRATH: Yes.

Mr. JENNINGS: The *Last of the Mohicans* ran through its whole course on the Canadian network.

Mr. MCGRATH: I did not mean to suggest *Mohicans* did not have its complete run, but that *Radisson* came. What I am mostly interested in is, how much did it cost to produce these two programs and how much was realized on the sale in the United States?

Mr. JENNINGS: First of all, *Radisson*, as a series, was extended beyond its original planning schedule. I forget what the original number was, though, but it was extended beyond that range, and it will run on the French network again this summer.

Mr. J. P. GILMORE (Controller of Operations, Canadian Broadcasting Corporation): Mr. Chairman, if I may just speak to this point, covering first the *Last of the Mohicans*. *The Last of the Mohicans* is what is known as a syndicated film production which was produced in Canada. The Canadian Broadcasting Corporation did not produce this program. However, we did rent the 52 episodes of the series for showing on our English language network. The program has been sold in the United States through distribution on a similar basis to individual stations, but we did not produce the program.

Mr. MCGRATH: *The Mohicans?*

Mr. GILMORE: Yes. May I turn now to the *Radisson* series? The *Radisson* series was produced over a period involving spring programming, and fall programming. There was a summer hiatus, where none of the episodes was shown.

The first eight or nine—I have forgotten the exact number—were shown at the tail-end of the spring schedule. Then, starting in the fall schedule, around October or November, the balance of the series to complete the 26 was shown.

At the same time, a version of the program was made for American syndication. This was sold to two or three organizations in the United States, and was shown on U.S. television, in New York and elsewhere.

There is also a deal being completed for showing in the United Kingdom. As of 8:30 this morning I could not verify the exact, final position of that deal, but I hope I will be able to report on it to you later.

As to the cost of the *Radisson* series, on a per episode basis it came to just over \$20,000 per episode. You must recall we produced in two languages and we produced 52 individual episodes.

The recoveries to date, if the United Kingdom deal goes through, will be approximately \$150,000.

Mr. SMITH (Calgary South): What if this United Kingdom deal does not go through?

Mr. GILMORE: \$146,000.

Mr. FAIRFIELD: The costs were over half a million dollars?

Mr. GILMORE: There are 52 involved in the two languages, and the cost was slightly over \$1 million total.

Mr. MCGRATH: Thus far you have only realized \$150,000?

Mr. GILMORE: That is correct.

Mr. BUSHNELL: However, I think it should be noted as well, we have had the use of that program on both the French and the English networks.

Mr. GILMORE: We are repeating it in this summer's French network also.

Mr. MCGRATH: Mr. Gilmore, could you tell me the Canadian talent content, if I could put it that way? Were there any American performers in this program, that came up from the United States?

Mr. GILMORE: The answer is a flat "no". As far as I can recall it was a completely Canadian production,—artists, technicians, and everything.

Mr. MCGRATH: Was this program produced entirely with C.B.C. facilities, or did you call on outside film companies?

Mr. GILMORE: We called on outside film companies, and used our own production personnel and facilities also.

Mr. MCGRATH: What company did you use?

Mr. GILMORE: Omega Films, in Montreal, I believe.

Mr. SMITH (*Calgary South*): I wonder if Mr. Bushnell has yet been able to provide us with the U.S. imports of films? Is that available?

Mr. BUSHNELL: Not yet. It will be available shortly.

The VICE-CHAIRMAN: Are we ready to return to the agenda? Do I understand we are through with item 8, "Recruitment of new talent"?

Mr. TREMBLAY: No, I have a question for Mr. Ouimet.

Mr. TREMBLAY (*Interpretation*): I have a question for Mr. Ouimet. Would you please explain to me how the C.B.C. proceeds with the scripts when you want to encourage new author talent, for example. Is that done by competition or by sending out invitations?

Mr. MARCEL OUIMET (*Deputy Controller of Broadcasting, Canadian Broadcasting Corporation*): No, it is not done by competition. Actually, we are always trying to find new authors. In order to find them we have had contests with the idea of using the better scripts. You may have heard that we had on the French network some years ago a Concours Dramatique, where we had, I suppose, oh, if I remember well, something like a couple of hundred entries. Out of these 200-odd entries I believe we were able to use 20 on the air. We did discover one or two excellent writers through this contest, one of them being Guy Dufresne, who wrote for a number of years *Cap Aux Sorciers*, and is still contributing regularly to the French network schedule.

The scripts are generally submitted to the C.B.C. by people who have a particular talent to write drama or other scripts. We are constantly looking for them, because television is a very voracious medium and we never actually have enough to take care of our needs.

Mr. JENNINGS: We also try to make known as widely as possible what our requirements are, what series are required and the kind of scripts, so that aspiring writers will know what sort of market is offered by the corporation.

Mr. OUIMET: Over the years, I would say we have done pretty well in developing newcomers.

Mr. TREMBLAY (*Interpretation*): Mr. Ouimet—if I may come back to my old obsession—the fact of keeping the same old programs on television is a kind of "smoke screen" against the young authors who could provide scripts to the C.B.C. as well?

Mr. OUIMET: No, I do not actually think so; I do not believe that in television you will have the same thing that has happened in radio: I do not believe the life of a serial drama, for instance, on television will be as considerable as it is on radio. There have been some that have been running for a number of years; I believe there is one that has run for about six years. Others run for two or three years, and are cancelled either at the author's request or at the request of the C.B.C.

We are encouraging new artists all the time. It may be, Mr. Tremblay, that you have not enough time to look at television at all hours of the day; but you would know—if you looked at television in the earlier part of the day—that a number of young script writers are actually submitting, with success, scripts for serial dramas which are made for the teenage population, or teenage listeners. Eventually—I am convinced—these same authors will graduate to more important periods in the day.

There is not a wealth of authors in this country and I think, again—with the number of people we can draw from in French speaking Canada—that we are doing exceptionally well. Comparatively speaking, I think French speaking Canada has as many, if not more—I would say more—radio and television writers than our English speaking compatriots have supplied to the English network.

Mr. TREMBLAY (*Interpretation*): One final question, Mr. Ouimet. You underline the fact that a great deal of encouragement has been given to authors on television in drama, novelties and the like. Do you not think that in radio programs we have always seen the same old people over the past years, the same names, the same programs, all the various series of programs, and so on?

Mr. OUIMET: It did happen; but we must not forget that a number of these authors maintained their popularity and the programs maintained their popularity, also, because of the fact that these people developed into excellent craftsmen writing for radio and for television—they have developed that craftsmanship.

You may have one of the best authors in the world and he may not be able to adapt himself to this particular medium. In fact, if you looked at a script for television, it might look like Greek to you, with all the different positions they have to put in for cameras, and so forth.

But this is a practice that is not peculiar to Canada. If you study the schedules of the last 20 years on the American networks, you will find that such programs as *Road of Life* and *Ma Perkins* run and run and run for years and years and years, again because the people making them, or writing them, were craftsmen—they could hardly be touched or competed with in this particular field. It is a tough business; there is competition but in order to break in, you have to be as good as the other fellow who is already writing.

Mr. TREMBLAY (*Interpretation*): Mr. Ouimet, does the C.B.C. take a close look at an author's work when he seems to be producing something of perhaps not the best quality? Does the C.B.C. invite the author to correct himself; does it help him in rectifying any shortcomings?

Mr. OUIMET: I can tell you that we certainly do.

The VICE-CHAIRMAN: Are there any other questions on item No. 8? Shall we go on with item No. 9, Relationship with Performers Rights Society?

Mr. McCLEAVE: Mr. Chairman, there is some information being printed and it will be available when our Tuesday minutes are ready. That information is showing the exact sums paid under a variety of categories. This is a very important area. It is possible there may be savings in it—I do not know. I have a series of questions, but I wonder if they could be put over until we have the minutes of Tuesday before us?

The VICE-CHAIRMAN: Shall this item stand?

Agreed.

Mr. FISHER: Mr. Chairman, I have been away for some time and I just wondered if any statement was made under this heading on the plans of the C.B.C.—under the general heading, whether any statement has been made on the plans for the dominion network?

The VICE-CHAIRMAN: The plans?

Mr. McCLEAVE: I think that will be G-3.

Mr. FISHER: It is in connection with the programming part of the dominion network that I wanted to ask a question. What I wanted to know was: why is it we cannot have more dominion network programming on these low-powered transmitters, and less trans-Canada?

The VICE-CHAIRMAN: I think that would come under G, Network relations, page 3.

Mr. BUSHNELL: Mr. Chairman, if you do not mind—I am not trying to suggest it is not a proper question at the moment—there are technical considerations, and Mr. Richardson is not here. Would you mind if we left it until he is present?

The VICE-CHAIRMAN: I feel, in any event, that it should come under Network relations.

Mr. BUSHNELL: He will be here for that, that is for sure.

The VICE-CHAIRMAN: Is it agreeable to the committee that item 9 stands?

Agreed.

The VICE-CHAIRMAN: My understanding is that we had decided to keep item No. 3 for today, Analysis of principles governing balance between forms of programming—drama, music, ballet, sports, talks, public affairs, religious, et cetera. Are we ready to proceed under this item?

Mr. SMITH (*Calgary South*): If the witnesses are ready, Mr. Chairman.

Mr. JENNINGS: Mr. Chairman, if I may make a very brief statement first, to indicate the principles which govern our planning: the first principle, of course, is that both radio and television are mass communication mediums and, therefore, programs which appeal only to the very few do not find a place in them.

In both radio and television any audience is really a very large audience, and so—as I say—programs which appeal only to a very few people just naturally do not find a way into our output. That is the first principle that governs our planning.

The second principle which governs our planning is the corporation's concept of its responsibility to supply a comprehensive program service of entertainment and information. Out of these two fields flow a great many other things. In the entertainment field our range of entertainment programs runs all the way from, you might say—in music—Bach to boogie; not very much of the little-known works of obscure composers who were mentioned at one of the earlier sittings of the committee.

In the information field it runs all the way from specialist programs, such as the farm broadcasts, the series of programs developed through the meeting at Couchiching in the summer, and Sainte Adele, special broadcasts such as Citizens Forum, Women's programs, commentaries, school broadcasts, general talks programs, information on international affairs, and so on.

So out of that second group, as I say, with our conception of our responsibility to put out a wholly comprehensive information and entertainment service in television and radio, there has developed this wide range of programming over the years in radio—and developing now in television—and patterned in such a way, we hope, that at appropriate times, through regional programming, we are serving various sections of the community in various parts of the country.

In carrying this out, we make a pretty continuing assessment. Every six months we do a statistical analysis of the make-up of the schedules, and every three months—well beforehand—we fasten down the program service as closely as we can in the kind of business we are in. We fasten down the output for a quarter, and we try to fasten down that output for a quarter not later than a couple of months before the beginning of that quarter.

This is no only one way of assessing the output in detail for that period but, of course, it is also brought about by the necessity of careful close budgeting considerations.

Mr. Chairman, I think I have given a general sort of statement there of the principles that govern us. I do not know whether you would like me to touch on any statistics, any breakdowns. Mr. Trainor, I think, has some information which he could supply, and I have also.

Mr. SMITH (*Calgary South*): Mr. Chairman, perhaps we might come to the statistics as another question which has direct reference to a particular area. I wonder if I could ask this question? I realize that we have dealt with this subject at a previous meeting, but I wonder if I could obtain from Mr. Jennings exactly what individual—if any individual—or what team of individuals is responsible for maintaining this delicate balance? I am thinking, too, of the balance with respect to Canadian content. Where is this decision, basically, made; is it made by an individual, or by a group?

Mr. JENNINGS: It is actually made by a planning group, in Montreal for the French network; and at the operating centre, for the English networks, in Toronto.

Mr. SMITH (*Calgary South*): I do not wish to have names; but would you give me an idea of what this group—for example, at Toronto—consists of.

Mr. JENNINGS: The group at Toronto consists of what we call national supervisors, who carry out specialist planning and breaking down over a fairly wide range—music, talks, public affairs, news, school broadcasts, farm and fisheries, incidental broadcasts, variety, features, religious broadcasts. I may have missed a couple. The same pattern is followed in the French network. Their work is brought together by the director of the television network or of the radio network.

Mr. SMITH (*Calgary South*): Does the director invariably have the right of veto to determine whether or not a particular program, in his opinion, should be aired?

Mr. JENNINGS: I do not think it is as arbitrary as the right to veto. It all comes out, really, in a sort of discussion—because you will realize that, with any particular radio program, ten people will have ten views about it.

It really emerges as a decision under the chairmanship of the network director, who obviously must make a decision. It may be referred to me, and I may refer to Mr. Bushnell.

Mr. SMITH (*Calgary South*): This group, I understand, would probably have some tools to work with in order to make their assessment of that? I mean, they would, conceivably, use the research bureau to determine whether or not they were retaining the correct balance; is that a fair statement?

Mr. JENNINGS: I think this is correct; but I would say that all of these specialist people are maintaining the closest liaison with organizations and individuals throughout the country who are interested in the particular field for which they are responsible.

The farm and fisheries department maintains very close connection with the Canadian Federation of Agriculture, and with all the provincial departments. That extends through all the specialist departments, that kind of outside liaison, consultation, which is going on all the time.

Mr. SMITH (*Calgary South*): Finally, we know, of course, that private radio stations, individually, in locales will carry out a particular type of programming, for which they are answerable to the B.B.C. to determine whether they are living up to the terms of their licence. Does the C.B.C. concern itself—in order to determine the national balance—with what the private broadcaster is doing, to determine whether the balance is always in correct proportion? Otherwise, is there any relationship in any of the surveys you make as to what the private broadcaster is doing, in relation to your own service, or your own programming?

Mr. JENNINGS: We have that information, of course; but it would be practically an impossible thing to do. We try to plan our service as a comprehensive service, and across the country it would be impossible to—

Mr. SMITH (*Calgary South*): I certainly agree with that. It was not quite what I meant. You will see—as an example—C.B.C. in a particular area may—if I may take the western division, perhaps—be providing a concentration of a particular type of program; and I have found that there is—even between private broadcasters in east and west—rather an extraordinary variation in their programming. I am just wondering if there is any inter-relationship at all between the C.B.C. and the private broadcaster in their programming habits, and so on.

Mr. JENNINGS: No, I cannot say that there is, in that sense, a continual planning, with the idea of C.B.C. supplying something opposite private stations. But on television for the last three years we have developed—stemming out of our affiliates meetings, which we attend twice a year, covering all the television station affiliates—a programming advisory committee, which is made up of the C.B.C. and private stations, where we discuss the whole program picture. We have found that very useful, and I believe the private affiliates have also found it very useful.

Mr. SMITH (*Calgary South*): I do not think it is a responsibility of the C.B.C., and I am not suggesting it is; but I think an inter-relationship has to be established somehow, and you do have a man specifically concerned with the relationship with private broadcasters?

Mr. JENNINGS: That is correct.

Mr. FAIRFIELD: Mr. Chairman, may Mr. Jennings give us a rough breakdown on a percentage basis, statistically, of how much drama there is, how much sport per week, and so on?

Mr. JENNINGS: I could. I could give you a general one first. I think our annual report has that breakdown in the centre section. There was this exhibit that we put in, Dr. Fairfield. First of all, perhaps I could give you a general breakdown of a sample week in the winter of 1957-58.

Mr. FISHER: Radio or television?

Mr. JENNINGS: This is television. This is a percentage of network hours. In the area that we call predominantly entertainment, under that we have what we call general entertainment, creative arts and sports. The percentage of the network—on the English network—was 64 per cent. It was 74 per cent on the French network. That is an average of 70 per cent for the two.

In the area that we call predominantly information—news and weather, 6 per cent; farm and fisheries, one per cent—I am giving you the English—household and its activities, 2 per cent; science and nature, 2 per cent; foreign information, 3 per cent.

Then, predominantly idea or opinion—another general area: Canadian activities and heritage, 2 per cent; religious, 2 per cent; school and other youth education, 2 per cent; political and other controversial public affairs, 4 per cent; social and human relations, one per cent.

I will go on to give you program examples. In the general entertainment area, during that particular week we would identify such programs as Cross-Canada Hit Parade, Front Page Challenge, G.M. Television Theatre, Hidden Pages, Hobby Corner, children's programs, Juliette, Maggie Muggins—children's program—On Camera, Open House, Plouffe Family, and so on.

Under the area of creative arts we identify such programs as Open House, C.B.C. Folios and Concert Hour. In sports, the hockey, wrestling, King Whyte Show, bowling, sports view and things like that.

Mr. BUSHNELL: I think on page 18 of the annual report for 1957-58 you get a breakdown percentage-wise for television, English; and radio, French—and the classification of the various programs.

Mr. FISHER: Is it the assumption—since television has become sort of a major interest in your programming—that your radio programming has moved to what you might call a heavier line and it actually has more body to it, in terms of, say, cultural programs?

Mr. JENNINGS: The two major trends, I would think, are increased concentration on daytime programming. The audience at night—we have not a great deal of television throughout the day yet—swings pretty heavily to television viewing. So we have some of our largest audiences for radio during the day time. This has meant a rather interesting new kind of operation, what we call "double exposure".

We have now made arrangements with artists and musicians to do a repeat in the daytime of a program heard at night. We take two cracks at it, and sometimes the program, which may be live on the daytime show and repeated at night, has a much larger audience—or, nearly always, has a much larger audience at night. We have attempted to introduce a certain amount of more serious programming on the radio. We have found there is an appetite for this and a demand for it.

Mr. FISHER: It is not fair to comment on that. On the educational side of it, we have the constitutional principle in so far as education is concerned, but I continue to hear great disappointment expressed by teachers over the fact that you have not moved as quickly as many of them would like, in both radio and television, in extending educational programs. Is that because of lack of cooperation with the departments of education, or do you have to wait for them to take the initiative?

Mr. JENNINGS: We have to wait for them to take the initiative, but by and large—you are speaking of school broadcasting?

Mr. FISHER: Yes.

Mr. JENNINGS: With regard to school broadcasting we have the National Advisory Council on School broadcasting—which has been in existence for 15 or 16 years, at least, I would think—which guides and advises the Corporation in its activities in School broadcasting.

Quite frankly, so far as television is concerned, we have done a couple of experimental series so far, and we have not yet settled down to any regular series. We have done two experimental network series, and there have been two local series, one in Halifax and one in Winnipeg.

I should say, the National Advisory Council on school broadcasting asked all the provinces—it is made up of provincial representatives—not to engage single-handed in experiments in school broadcasting without consulting and clearing them with the national council first, so there would be as much cohesion and general knowledge and experience put into each experiment as possible. We intend to do again an experiment in the near future.

Mr. FISHER: Do you have any way of checking on experiments in Texas, Cincinnati and places like that, where it is pushed to quite a degree?

Mr. JENNINGS: Yes, we are quite well aware of what is going on in educational programming in the United States and Britain.

Mr. FISHER: Have you any conception of the cost picture, and whether it is a field into which you could move, or is it something in which the provincial authorities are going to have to put up quite a bit of money and talent?

Mr. JENNINGS: In television as compared with radio it is a horse of a different colour. In radio we provide facilities for provincial authorities to do the programs themselves. We supply the facilities, production, and so on.

When you get into television school broadcasting the supply of the facilities is a much more expensive and a much more complicated thing than the rather simple thing it is on radio. We have not yet settled on any formula of what we could supply. We have not settled firmly on any formula.

Mr. FISHER: I do not want to be unkind, but does this not suggest lack of initiative, in light of the fact that in other countries things have been pushed further, and there is more extensive experimental work completed?

Mr. JENNINGS: I would say, Mr. Fisher, that we have got a good deal to learn yet about just how effective television broadcasting is for schools. There are all sorts of theories about school broadcasting and television. There is the so-called master teacher theory, in which you have a person teaching a lesson and the schools are all linked by television reception. I have heard this theory attacked very vigorously. You have these theories. As in radio, a television program is something which really enriches. It is just a matter of the means of enriching what the teacher himself or herself can do in the classroom. We are not clear nor are educational authorities clear, as to which way we should go yet.

I do not think we are holding back. There is the consideration in this country, because of the constitutional position, that the lead must, in many cases be given to us.

Mr. FISHER: Have you any indication, say, from Ontario west, that you could get the kind of cooperation that would lead to a network that would be able to provide television programming in the daytime or in the morning hours?

Mr. JENNINGS: I could not say precisely. I believe there are different levels of enthusiasm as between different provinces, as to the value of going into school broadcasting on television.

The VICE CHAIRMAN: Mr. Smith?

Mr. SMITH (Calgary South): Mr. Jennings, is this problem of maintaining this balance—which, I see, is one of your most difficult objective problems—something you are continually concerned with?

Mr. JENNINGS: Yes, it is a continuing problem and a difficult problem, but it is not the sort of problem you can solve with any sort of precise formula. We cannot at any time be sure that the percentage of ballet programs being put on television is the right amount of ballet you want. It is a fairly pragmatic process which goes on all the time, by an assessment of outside opinion. As far as ballet is concerned I would say that in this country there has been an increased interest in the last five or six years, with the Winnipeg Ballet, the National Ballet of Toronto and the Grands Ballets Canadiens in Montreal.

This all helps to guide our thinking.

Mr. SMITH (Calgary South): It would be fair to say, though, that naturally you are reasonably satisfied the balance is correct, that it is a proper balance you have? That would be a fair question?

Mr. JENNINGS: Yes, I suppose you could say we are reasonably satisfied. We are always at it.

Mr. SMITH (Calgary South): I wonder if there is any consistency in this. Perhaps this is the flexible aspect. Mr. Pratt, when discussing this matter with Mr. Bushnell, I think drew from Mr. Bushnell the concession we are

over-weighted right now in the field of westerns. Is that a localized situation, or a temporary situation? Are you still happy with the balance in respect of this one instance?

Mr. BUSHNELL: As, I suppose, I started that, I would like to say that when I took a look at the schedule afterwards I was reminded by my colleagues we did not have as many as I thought we probably had.

Mr. SMITH (*Calgary South*): How many did you think we had?

Mr. BUSHNELL: When I made that answer I was thinking in terms not only of the syndicated films—*Gunsmoke* and *Have Gun Will Travel*—but a number of the feature films we show. But as far as syndicated film is concerned, I think we have three or four in the week.

I notice too—and here is where you get caught out—we have *Disneyland*. We have that Disney show approximately 39 to 52 weeks. The first thing you know is they run a series of westerns slap bang in the middle of it.

Mr. SMITH (*Calgary South*): We are going off into the content area. I wish to raise that later. I suggest that you run many of these shows that have appeal to youngsters when many of them are in bed, and consequently they see another type which is not suitable for them.

But may we come back to this question of Canadian content? Perhaps we could clear up one point. You are not unhappy about the fact we have too many westerns? You think it is a pretty good balance?

Mr. BUSHNELL: Yes, I think so.

Mr. JENNINGS: I think so too.

Mr. SMITH (*Calgary South*): I suggest to you the possibility this question of Canadian content is also part of this problem of maintaining a balance, is it not? It is the same board that maintains this Canadian content, they determine the balance? Again, there is no fixed formula?

Mr. JENNINGS: We start off with a balance of about 50 per cent on our stations and on the network. On the network we have divided it now 60-40, I think I am correct in saying this. The intention all the time in the planning, and with the funds at our disposal, is to try to increase the Canadian content.

Mr. SMITH (*Calgary South*): Would I be correct in assuming the \$19 million you pay out in talent fees, that proportion would be roughly the same; in other words, 60 per cent of that would be for Canadians? It would be higher too, would it not?

Mr. BUSHNELL: I think it would be higher than that, because the American product, if you like, the imported product, costs less than the cost of almost any decent sized Canadian product. For example, you can buy all the syndicated film in the world. There are hundreds and hundreds and hundreds of products that can be bought in the United States for as little as \$1,500 per half hour episode. In Canada some of them run to \$4,500 or \$4,800; but you cannot put on a Canadian show of any size for that amount of money, particularly if you are using quite a large number of Canadian performers.

Mr. SMITH (*Calgary South*): What do we really mean when we are talking about Canadian content? We are talking purely about Canadian performers, Canadian production and Canadian cast?

Mr. JENNINGS: Yes, and those talent fees you mentioned, practically 100 per cent of those would be to Canadian performers.

Mr. SMITH (*Calgary South*): Roughly the \$19 million then?

Mr. JENNINGS: Yes.

Mr. SMITH (*Calgary South*): This Canadian content, regarding *Cross Canada Hit Parade*, that is Canadian talent or American talent?

Mr. JENNINGS: Canadian talent, with the occasional American guest. We cannot buck the hits.

Mr. SMITH (*Calgary South*): You do not have any concern that, perhaps, the problem of maintaining this 60-40 balance, which you state you wish to see go even higher—as a principle that is a very excellent one—but you are not concerned, in an attempt to maintain this, that quality does not perhaps suffer a little bit, and if you are going to increase Canadian content the quality of your total product is not in jeopardy?

Mr. JENNINGS: I think you will remember we discussed that briefly at an earlier meeting.

Mr. SMITH (*Calgary South*): I had an emphatic "no" then.

Mr. JENNINGS: I think we have to say this: say, in comedy and variety shows, I do not think, as yet, we have the sort of polish and slick techniques, knowledge or ability of some of the Americans. But it is a field in which there is a great deal of American talent, and I think our experience, by getting into these things, is invaluable. For instance, I think our variety shows over the last four years have improved very much indeed.

I would say this Cross Canada Hit Parade we have put on has a great deal more ingenuity and polish than the American shows.

Mr. BUSHNELL: So much so they stole our producer.

Mr. JENNINGS: That is a matter of development through survey.

Mr. SMITH (*Calgary South*): They show some signs of indicating greater popular appeal than they did a year ago?

Mr. JENNINGS: Yes.

Mr. SMITH (*Calgary South*): These are the ones that are basically Canadian in content?

Mr. JENNINGS: Yes. For example, Front Page Challenge, it started rather slowly, but has gone up very rapidly, and has a very very large audience now. But audiences generally are increasing.

Mr. SMITH (*Calgary South*): General Motors Presents, is that true of it as well?

Mr. JENNINGS: Yes, I would think so quite definitely, without checking the figures.

Mr. OUIMET: Mr. Chairman, I think, if we have confidence in ourselves, and since it can be done on the French network, where the quality of the programs is just as good as on the English network, we should also be able to maintain the excellent quality of Canadian produced programs in the English language. It is done on the French network; why cannot it be done on the English network as well?

Mr. JENNINGS: We also have a pretty good record—and this is an immodest statement—of achievement over the years in the development of the radio service. We found talent, resources and people who were able to plan and bring that to the programs here. I think we have sufficient confidence that we can do the same thing in television.

Mr. SMITH (*Calgary South*): Frankly, my Canadian ego is such that I would like to see complete Canadian content, but I am often concerned, as a viewer, that this attempt to maintain the Canadian identity means that we are inclined to sacrifice quality, and this is the purpose of my asking you these questions.

Mr. JENNINGS: I do not think so.

The VICE CHAIRMAN: Mr. Tremblay, and then Mr. Fisher.

Mr. TREMBLAY (*Interpretation*): Mr. Ouimet, you gave us, the other day, some data of what are known as educational programs. Have there yet been on the French radio any strictly educational programs, in the sense we understand them in Quebec; that is to say, not just programs for adults?

Mr. OUIMET: We have never had on the French networks what is called in English a school broadcast. What we have on the French networks are programs designed according to the definition which you can find, I believe, on page 6 of the Massey report, programs which make a difference between—I would like here to speak French—l'Éducation académique et l'Éducation extra-scolaire.

Mr. TREMBLAY (*In French not interpreted*).

The INTERPRETER: Mr. Ouimet, continuing in French, said: at this point I prefer to continue in French. The difference involved is that between academic and extra-scholastic or post-scholastic education.

Mr. Tremblay then said: Mr. Ouimet, to what philosophical category, as you just indicated, belonged the program Radio-Collège?

Mr. OUIMET: Radio-Collège, for a number of years, was of a cultural nature, as a general rule. In fact, we have used on Radio-Collège some of the classical plays and some of the most advanced modern plays which would not have been scheduled on our normal sponsored drama productions, because they were of such a level that they would appeal, as a general rule, to the cultured individual most and less to the mass.

So, I would say that Radio-Collège would fit rather in the category of what you would call éducation extra-scolaire.

Mr. TREMBLAY (*Interpretation*): Well, Mr. Ouimet, was not this program aimed rather at college students, students who are still in what you call the academic stage?

Mr. OUIMET: If you understand "college students" to mean University students, to a certain extent. But don't you, Mr. Tremblay, consider the arts course of the province of Quebec as the equivalent of a university course in some of our English-speaking universities in Canada? I would say it was designed not only for advanced students, but also for general distribution to the adults who happened to be at home at the particular time when the broadcasts were being carried.

Some of the colleges in those days had recording machines. They would not listen generally to them in class; but a proportion had recording machines and they would record some of the productions and then play them to the students at later hours.

It was also one of the recommendations of the Massey Commission that because of the level of these broadcasts, which you may call educational, they should be scheduled at a better time. Then around 1951 or 1952, just before the advent of television, we did move a number of Radio-Collège broadcasts to a night spot in the schedule and dropped the title Radio-Collège from that day on. We did this because these programs were to be carried at 8.00 o'clock, and it was felt, because of their quality that in order to reach a larger audience, they should be scheduled at a better time.

Mr. TREMBLAY (*Interpretation*): Mr. Ouimet, was it not proposed also to put this program, Radio-Collège, on television under that name, or under another name?

Mr. OUIMET: No, I do not believe we would bring it back as such, under the name Radio-Collège. What we do on television is this: we have a lot of things on television that are equivalent to what used to be done on Radio-Collège (radio), but we considered, as we have an over-all—and I mentioned this the other day—service—actually, it is the Service des émissions éducatives et des affaires publiques, which is responsible for talks, public affairs broadcasts and also cultural programs; actually we considered doing on television some of the broadcasts which we do on radio. For instance, I would say that a program like "L'heure du Concert", in radio days would have fitted the Radio-Collège schedule. We dropped the title Radio-Collège because we wanted to get a larger audience. I remember when we used to go on the air with "Radio-Collège présents" . . . there was a certain reluctance on a certain part of the audience. They would feel that there was going to be some kind of teaching taking place or something like that, and would turn off the set. We dropped the title and we found out immediately—and I was responsible for it being dropped—that the audience increased; and educational broadcasts in the province of Quebec today have an extraordinary acceptance, especially if we take into account the survey conducted in the last few months by L'Institut Canadien d'éducation des adultes, the results of which have been published in newspapers during the last few days.

Mr. TREMBLAY (*Interpretation*): Well, Mr. Ouimet, what you are referring to, namely this inquiry of the Canadian Institute of Adults, deals really with culture in general, and what I am particularly interested in knowing is the policy of the C.B.C. in regard to strictly academic education, that is, covering the three levels, primary, secondary and upper; so I would like to know if, during the past two or three years, there have been exchanges between the council of public instruction or public education, the Federation of Classical Colleges and the universities of Quebec whereby they have asked that arrangements be entered into with a view to putting on the air strictly educational programs in the sense in which we understand them in the province of Quebec, and that is the same sense as that implied in the spirit of the British North America Act.

Mr. OUIMET: There have been a number of informal contacts made over the years. The situation concerning school broadcasts in Quebec was defined quite clearly in a statement which the former general manager of the C.B.C., Dr. Frigon, gave to the press in 1949. The situation has not changed very radically since. If you are interested I can give you the gist of this statement later on. The latest contact made with the authorities of the province of Quebec in the field of education dates back to September, 1955, at which time the Director of the French networks, Mr. Lamarche, saw the Superintendent of education, Mr. Désaulniers, of the government of the province of Quebec.

I have here a report which I would like to read into the minutes:

(*Translation*):

The interview was held in a cordial spirit. The superintendent in no way committed himself and left no possibility of a solution in sight. He left it to be understood that he could see several objections which could be received from the constitutional point of view of the provinces. The interview had no concrete result, and there was no follow-up.

This is a report which followed a letter which was sent to the superintendent on September 23, 1955, confirming the interview which had taken place.

As the former general manager of the C.B.C. said in 1949, the C.B.C. has always been open to cooperation with the educational authorities of the province of Quebec in order to enter into such broadcasts as school broadcasts on the same basis as we are doing with the provincial authorities of other provinces.

Mr. TREMBLAY (*Interpretation*): Mr. Ouimet, I have one final question. Would the C.B.C. expect that the provincial educational bodies should prepare these educational programs? As I said a moment ago, this would be subject to technical considerations such as scheduling, and I am speaking of C.B.C. programs for both television and radio.

Mr. OUIMET (*Interpretation*): Mr. Chairman, as I just said, the position of the C.B.C. in this respect was defined very clearly by the former general manager of the C.B.C. and I think I should read the statement that he made in 1951, which is a practical summary of the situation existing then, and which still applies in 1959. The following is the statement.

(*Sight translation*): We do not believe that it is up to the C.B.C. to decide upon educational matters on the radio and what they should teach. Such a decision is one for the regional or local school authorities. All we do is to contribute by our technical and financial facilities in making radio education as effective as possible where the competent authorities desire to establish this.

In all the provinces, with the exception of the French speaking schools in the province of Quebec, they have radio educational programs and, with this in mind, 6,754 schools received free in the period 1949 to 1950 licences for the use of receiving apparatus. It is estimated that during this same year 430,000 pupils benefited from radio education. Naturally, this does not take account of an even greater number of adults who listened at home.

The provincial authorities prepare the course and pay for the scripts and those who take part in the programs. The C.B.C. undertakes production of the programs and their broadcasting over the various network stations. Thus, as regards the type of teaching, only the local or regional scholastic educational authorities are responsible. This type of program is broadcast by the regional networks.

The C.B.C. also puts out educational programs of general interest, but the subjects dealt with and the very nature of the program are under the absolute control of a council committee—or perhaps that means advisory board—on which all the provinces are represented. These programs are broadcast by the trans-Canada network which serves all the provinces. The C.B.C. has always declared it is ready to assist the competent authorities which call upon it for assistance in introducing educational broadcasts for their classes.

Furthermore, the educational programs on the radio existed in a number of provinces before the creation or the setting up of the C.B.C. and this is a clear indication that the C.B.C. did not, so to speak, impose conditions in the field of teaching. Quite to the contrary, all they did was to follow up those who believe that the radio is a modern and effective educational device.

This is signed by Mr. Augustin Frigon, director general of the C.B.C. and is dated at Montreal on March 27, 1951.

Mr. OUIMET: Mr. Chairman, I should say, for the benefit of the committee, that the general manager of the C.B.C., when he made that statement, had been for a number of years president of the corporation of L'École Polytechnique of Montreal, and as such was sitting on the Conseil de l'Instruction Publique of the province of Quebec.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, as you know, there was a judgment of the privy council as regards federal intervention in this field and, considering the cultural aspects of the C.B.C., should this not be considered as the reason for the hesitation of some provinces as regards C.B.C.'s educational initiatives?

Mr. TREMBLAY: Excuse me. (*Interpretation*): Mr. Chairman, that was not exactly what I said. What I said was as follows: There was a judgment of the privy council, allowing the federal government to occupy the field of broadcasting for educational purposes; but, as step by step the C.B.C. occupied at one and the same time the field of information and of culture and of education, do we not see, in this initiative of the C.B.C., the reason for the hesitation of some provinces, as regards the initiative of the C.B.C., in educational matters?

The VICE CHAIRMAN: I do not think the witness should be called upon to answer this. I do not know the view of the committee; but this is a matter of opinion—it is not a matter of fact.

Mr. TREMBLAY: No—I think, Mr. Chairman, that it is a matter of fact. We have to know the policy of C.B.C. about programming, in the broad sense.

The VICE CHAIRMAN: The witness is not obliged to answer. He may answer, if he wishes.

Mr. SMITH (*Simcoe North*): Mr. Chairman, I do not think the witness could possibly know why some provinces have, or have not, participated in these broadcasts. It is a matter that should be directed to the provincial departments, if some provincial educational departments were called.

The VICE CHAIRMAN: That is my view.

Mr. OUIMET: This may be, Mr. Chairman; but the only thing I know is that I have this letter of September 23, 1955, written—as I said earlier—to the superintendent of the Department of Education in Quebec, which states very clearly that we are ready to cooperate fully. We never received an answer to that letter. Why the decision was taken negatively, I do not know. But we are, and—I repeat—we shall always be ready to cooperate fully in this particular field.

Mr. SMITH (*Calgary South*): Mr. Chairman, I should like to ask two very short questions.

The VICE CHAIRMAN: One moment. If it is on the same subject, all right; but if it is not on the same subject, would you mind delaying it.

Mr. SMITH (*Calgary South*): No, it is not.

The VICE CHAIRMAN: Very well. Mr. Fisher has a question.

Mr. FISHER: Originally, Mr. Bushnell, when the Canadian government got into broadcasting, was it not a fact that all the provinces had to agree to the situation before you went ahead?

Mr. BUSHNELL: Yes.

Mr. FISHER: So that at that time there was a decision taken by all the provinces that the federal government should go into this field, in the programming sense; is that true?

Mr. TREMBLAY: No.

Mr. JENNING: Actually, they came to us individually, in the beginning, and I think, before the organization of the C.R.B.C. or the C.B.C. there was school broadcasting being done provincially in British Columbia and, I think, in Nova Scotia.

Mr. JOHNSON: Mr. Chairman, I wish to speak on this point of order which was brought upon the question of Mr. Tremblay. I would like to point out that it is for the chairman to make a decision on questions by any member here: he does not need the help of any self-appointed president or chairman. Let the chairman decide whether or not the question is pertinent.

The VICE CHAIRMAN: I gave my views.

Mr. JOHNSON: It is not for the committee to decide. We are entitled to ask questions in this committee, and we do not intend to suffer because other members bring up points of order to delay the proceedings.

Mr. TREMBLAY: On this point of order, Mr. Chairman (*Interpretation*): Mr. Chairman, I think there is no reason for us to make "a storm in a teacup" of such a simple question. I put the question, which perhaps required an opinion. Mr. Ouimet gave a satisfactory answer. He said, "perhaps", and I am satisfied and do not wish to pursue the matter any further.

Mr. FISHER: Mr. Chairman, may I carry along the line that I was on? Has there been any discussion within the C.B.C. of any certain regions turning back to certain provincial authorities the broadcasting rights?

Mr. BUSHNELL: Not that I am aware of, Mr. Fisher.

Mr. FISHER: Has there been any consideration given—this is a point I brought up many meetings ago—to the problem, if a province decides to introduce censorship of television?

Mr. BUSHNELL: I do not quite follow you there: I am a little dense this morning.

Mr. FISHER: Supposing a province decides it is going to introduce censorship of television programs—it seems to have the constitutional right: there has even been some discussion on it in one province—what does that raise for the C.B.C.?

Mr. BUSHNELL: I do not know what it would raise for the C.B.C. It is rather, I should think, an academic question that I do not think has arisen.

Mr. FISHER: The point I want to get clear is:—the whole tenor of the questions today confirms that you have no constitutional authority in the programming and broadcasting field, if a provincial authority decides to step in and take an active role; is that not true?

Mr. BUSHNELL: I do not think I am competent to answer that question now; I would like to get some legal advice on that point.

SMITH (Calgary South): Surely it is a question for the B.B.G.?

Mr. McCLEAVE (*Interpretation*): Mr. Chairman, I have another question in the French language, and this regards the French networks. Have you, on those networks, any programs for teaching English, such as on the English networks here have programs for teaching French?

Mr. OUIMET: On the stations situated in the province of Quebec, I would say "No". But, in cooperation with the government of New Brunswick, we

do put on French school broadcasts, and this is one of the subjects which is being regularly taught on the school broadcasts of the province of New Brunswick. French is being taught for the benefit of the English speaking population, and English is being taught for the benefit of the French speaking population.

The VICE CHAIRMAN: Gentlemen, the only time we could meet again today would be tonight.

Mr. JOHNSON: I do not think we should meet tonight.

Mr. SMITH (*Simcoe North*): Not tonight.

Mr. JOHNSON: Would we get a quorum for a meeting tonight?

The VICE CHAIRMAN: That might be the source of the difficulty, I understand some people will be watching television and listening to radio tonight.

Mr. JOHNSON: We all know the results already; we do not need to watch it.

The VICE CHAIRMAN: What is the wish of the committee—next Tuesday?

Agreed.

THE FOLLOWING IS THE TEXT OF THAT PART OF THE  
COMMITTEE'S PROCEEDINGS CONDUCTED IN  
THE FRENCH LANGUAGE

ON TROUVERA CI-DESSOUS LE TEXTE DE LA PARTIE DES DÉLIBÉRATIONS  
DU COMITÉ QUI S'EST DÉROULÉE EN FRANÇAIS

(Page No. 394)

M. TREMBLAY: Monsieur le président, je voudrais faire remarquer que je ne suis pas surpris qu'on ne nous donne pas les détails que j'ai demandés au sujet du programme "Pour elle", mais je ne considère pas moins qu'il aurait été bien important d'avoir ces détails.

(Page No. 396)

M. TREMBLAY: Monsieur Ouimet, pouvez-vous m'expliquer comment la société Radio-Canada procède dans le choix des textes, lorsqu'il s'agit de nouveaux auteurs de textes? Est-ce que vous procédez par voie de concours, est-ce que vous faites des invitations?

\* \* \*

M. TREMBLAY: Monsieur Ouimet, ne pensez-vous pas, revenant à ma vieille obsession, que le fait de maintenir pendant longtemps les mêmes programmes à la télévision est une espèce d'écran de fumée qui peut nuire à ces jeunes auteurs qui pourraient fournir des textes à Radio-Canada?

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(Page No. 397)

M. TREMBLAY:

Une dernière question. Vous avez souligné le fait qu'on avait donné beaucoup d'encouragement aux jeunes auteurs à la télévision, à l'occasion de nouveautés dramatiques, etc. Ne pensez-vous pas qu'à Radio-Canada ce sont toujours les mêmes gens qui ont les continuités? Depuis plusieurs années, ce sont les mêmes séries de programmes savon, etc.

\* \* \*

M. TREMBLAY:

Maintenant, M. Ouimet, est-ce que la société Radio-Canada, lorsqu'un auteur lui paraît échoir un tant soit peu, est-ce que la société Radio-Canada le sermonne et l'invite à se corriger?

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(Page No. 405)

M. TREMBLAY:

Monsieur Ouimet, vous avez donné, l'autre jour, quelques renseignements au sujet de ce que l'on appelle les programmes éducationnels. Pourriez-vous me dire s'il y a déjà eu, au réseau français de Radio-Canada, des programmes strictement éducationnels, dans le sens que nous l'entendons dans le Québec, c'est-à-dire pas simplement des programmes qui s'adressent aux adultes?

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(Page No. 405)

M. TREMBLAY:

A quelle catégorie appartenait le programme "Radio-Collège"?

\* \* \*

M. TREMBLAY:

Mais, monsieur Ouimet, est-ce que ce programme ne s'adressait pas davantage aux étudiants des collèges, aux étudiants qui en sont encore au stade de ce que vous appelez, vous, l'éducation académique?

\* \* \*

M. TREMBLAY:

Monsieur Ouimet, ce programme "Radio-Collège", est-ce qu'on ne s'était pas proposé de le réaliser à la télévision également, sous ce nom ou sous un autre?

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(Page No. 406)

M. TREMBLAY:

Monsieur Ouimet, ce à quoi vous faites allusion, c'est cette enquête sur l'éducation des adultes. Je réfère plutôt à des programmes d'ordre culturel, en général.

Ce qui m'intéresse, c'est de savoir exactement quelle est la politique de Radio-Canada à l'endroit des programmes d'éducation strictement académique, c'est-à-dire couvrant les trois niveaux du primaire, du secondaire et du supérieur.

Je voudrais savoir . . . je vais vous demander ceci: Est-ce que, depuis deux ou trois ans, il y a eu des échanges entre le Conseil de l'instruction publique et la Fédération des collèges classiques et les universités du Québec demandant des programmes, c'est-à-dire pour conclure les arrangements dans le but de mettre au programme des émissions strictement éducatives, au sens où nous l'entendons dans le Québec, c'est-à-dire le sens de l'Acte de l'Amérique du nord britannique?

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M. OUIMET: Le surintendant ne s'est aucunement prononcé, il n'a laissé entrevoir aucune possibilité de solution; il a plutôt laissé entendre qu'il entrevoit plusieurs objections du point de vue de la constitution provinciale et qu'il consulterait qui de droit. L'entrevue n'a donné aucun résultat concret et n'a pas eu de suite.

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M. TREMBLAY: Une dernière question. Est-ce que Radio-Canada, à l'exception des arrangements strictement techniques, est-ce que Radio-Canada consentirait à ce que des organismes provinciaux d'éducation élaborent des programmes éducatifs et, comme je le disais tout à l'heure, à l'exception des arrangements techniques et des questions d'horaires, est-ce que Radio-Canada consentirait à ce que des organismes provinciaux préparent ces programmes pour leur mise en ondes sur les ondes de Radio-Canada, à la télévision ou à la radio?

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M. OUIMET: Monsieur le président, la position de Radio-Canada, dans ce domaine, comme je l'ai indiqué tout à l'heure, a été définie très clairement par l'ancien directeur général de la société Radio-Canada, M. Augustin Frigon.

Je crois qu'à ce point je devrais lire la déclaration qu'il avait faite en 1949 et qui résume, à toute fin pratique, la position de Radio-Canada en 1949 et, dix ans plus tard, en 1959. Voici:

Nous ne croyons pas qu'il soit du ressort de la société Radio-Canada de décider où doit être organisée la radio-scolaire et ce qu'elle doit enseigner; une telle décision appartient aux autorités scolaires locales ou régionales. Nous ne faisons que contribuer par nos moyens techniques et financiers à rendre la radio-scolaire le plus efficace possible là où les autorités compétentes désirent l'établir.

Toutes les provinces, à l'exception des écoles de langue française de Québec, ont leur radio-scolaire. Dans ce but, 6,764 écoles reçoivent gratuitement, en 1949-50, des permis pour l'usage d'appareils de réception. On estime qu'au cours de cette même année 430,000 élèves ont bénéficié de la radio-scolaire. Naturellement, ceci ne tient pas compte d'un nombre encore plus grand d'adultes qui écoutent à la maison.

Les autorités provinciales préparent les cours et paient les manuscrits et ceux qui participent aux programmes. La société Radio-Canada se charge de la production des programmes et de leur radiodiffusion sur les postes des réseaux. Donc, pour ce qui est de la nature de l'enseignement, seules les autorités scolaires locales sont responsables; cette catégorie de programmes est diffusée par des réseaux régionaux. Radio-Canada émet aussi des programmes scolaires d'intérêt national, mais les sujets traités et la nature même des programmes sont sous le contrôle absolu d'un comité-conseil sur lequel toutes les provinces sont représentées; ces programmes sont diffusés par le réseau Trans-Canada qui dessert toutes les provinces.

Ici, je veux passer une partie de la déclaration qui a trait à certains points qui concernent plus strictement les écoles, pour terminer avec la déclaration de M. Frigon à ce moment-là. Et je continue:

La Société s'est toujours déclarée prête à aider les autorités compétentes qui sollicitent son appui pour l'introduction de la radio-scolaire dans leurs classes. D'ailleurs, la radio-scolaire existait dans certaines provinces avant que ne fut fondée la société Radio-Canada, ce qui indique bien que cette Société ne s'est pas imposée dans le domaine de l'enseignement; bien au contraire, elle n'a fait que seconder ceux qui croient voir dans la radio une méthode pédagogique moderne efficace.

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M. TREMBLAY: Vous savez qu'il y a eu un jugement du conseil privé, permettant aux autorités fédérales d'occuper dans le domaine des ondes pour des fins d'information. Étant donné que la société Radio-Canada a, en même temps que le domaine de l'information, occupé progressivement celui de la culture et de l'éducation, est-ce qu'on ne pourrait pas voir là la raison de cette réticence que certaines provinces opposent aux initiatives de Radio-Canada en matière d'éducation?

M. TREMBLAY: Non, ce n'est pas exactement cela que j'ai dit. J'ai dit qu'il y a eu un jugement du conseil privé permettant aux autorités d'occuper dans le domaine des ondes pour des fins d'information, et j'ai ajouté que, étant donné que la société Radio-Canada a, en même temps, que le domaine de l'information, occupé progressivement celui de la culture et de l'éducation, est-ce qu'on ne pourrait pas voir là la raison de cette réticence qu'ont certaines provinces en regard des initiatives de Radio-Canada en matière d'éducation?

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M. TREMBLAY: Je pense qu'il n'y a pas de raison de faire du drame sur un sujet aussi simple. J'ai posé une question qui peut-être demandait une opinion. M. Ouimet m'a donné une réponse satisfaisante. Il m'a dit: Peut-être. Je suis satisfait, je n'en exige pas davantage.

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M. McCLEAVE: Monsieur le président, une autre question en français. Sur le réseau français, avez-vous des programmes où l'on enseigne l'anglais, comme sur les réseaux anglais nous en avons où l'on enseigne le français?











